



March 19, 2021

The Honorable Mike Dunleavy  
Governor, State of Alaska  
Office of the Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Dunleavy,

The Alaska Seafood Marketing Institute requests \$20 million in American Rescue Plan Act relief funding to mitigate past and ongoing economic harm to the Alaska seafood sector in markets that were depressed, lost and permanently altered due to the global pandemic.

The pandemic continues to impact all aspects of the Alaska seafood industry supply chain including but not limited to: fishermen, processors, communities, state and federal agencies, research, transportation, international trade, distribution, foodservice, retail, e-commerce, food delivery, and consumers. Alaska's harvesters and processors are doing their part to deliver fish to market but need the State and ASMI's help to create new markets for products that lost value immediately and continue to struggle.

Initial findings estimate ex-vessel prices in 2020 dropped by 20-25 percent from the previous year. This equals approximately \$500 million in lost income to Alaska's commercial fleet. As a result, ASMI's revenue is similarly reduced by 25 percent, estimated at \$5 million over the course of the pandemic. ASMI, by statute, is funded via a voluntary assessment set by the Alaska seafood industry, based on the ex-vessel value of Alaska's commercial fisheries harvest. Since FY 2018, ASMI has received no General Fund support and relies entirely on the industry assessment and competitive federal grant funding. **ASMI will use approximately \$5 million in American Rescue Plan Act funds to replenish lost revenue.**

However, recovering market losses from the pandemic requires additional investment. **ASMI will use \$5 million for the foodservice sector, \$5 million for the trade/retail sector, and \$5 million to target the consumer sector in order to mitigate economic harm and aid the Alaska seafood industry in its recovery.**

In the US, prior to the pandemic, 70 percent of seafood was consumed at foodservice. With over 100,000 restaurant closures across the country, key species like halibut, sablefish and Pacific cod suffered. Rebuilding foodservice markets at home and in ASMI's nine regional programs abroad, will take ongoing support. ASMI promotions create long-term partnerships and raise the value of Alaska seafood with millions in direct sales results recorded and per promotion ROI up to 20,000%.

The retail sector is changing rapidly, with e-commerce channels taking market share from brick and mortar. Historically, consumers have preferred to physically inspect seafood purchases, but trailblazing work with e-commerce in China shows success for Alaska seafood online. In 2019, ASMI hosted a seminar for e-commerce buyers in Shanghai. As a result, two new companies began carrying Alaska seafood and ASMI's China e-commerce promotions recorded \$2.7 million in Alaska seafood sales.

As financial impacts of the pandemic affect consumers around the globe, and consumers are offered increasingly new protein alternatives from farmed seafood, plant and cell based products, ASMI must

bolster messaging about the health benefits and sustainability of Alaska seafood so that consumers recognize our products as good value.

Lost markets and sales disruptions that reduced ex-vessel prices in every Alaska commercial species affect the entire state, with reduced landing taxes, reduced reinvestment and less purchasing power among the 26,000 Alaska residents directly employed by the seafood industry.

ASMI, along with the entire Alaska seafood industry, is operating within limited budgets and working strategically throughout the entire supply chain to drive demand, increase sales and return the prices the men and women of Alaska's commercial fisheries deserve for their catch. **Despite an urgent need, ASMI has not received any COVID-19 relief funding to date.**

Reestablishing, building and redesigning new markets will take time and significant financial resources. The ASMI Board of Directors envision a multi-year effort that is comprehensive, geographically broad and sustained. **\$20 million in American Rescue Plan Act or similar COVID-19 relief funds is necessary to aid the deeply impacted Alaska seafood industry and help stabilize and grow Alaska's economy.**

Sincerely,



Jack Schultheis  
Chairman of the Board, Alaska Seafood Marketing Institute  
General Manager, Kwik'Pak Fisheries

Cc:

The Honorable Lisa Murkowski, Senator, State of Alaska  
The Honorable Dan Sullivan, Senator, State of Alaska  
The Honorable Don Young, Representative, State of Alaska  
The Honorable Peter Micciche, President of the Alaska State Senate  
The Honorable Gary Stevens, Alaska State Senate  
The Honorable Lyman Hoffman, Alaska State Senate  
The Honorable Louise Stutes, Speaker of the Alaska State House of Representatives  
The Honorable Dan Ortiz, Alaska State House of Representatives  
Commissioner Julie Anderson, Department of Commerce, Community and Economic Development  
Randy Ruaro Chief of Staff, Office of Governor Mike Dunleavy  
John Moller, Office of the Governor