

A Seafood Promotional Council For Maine

Final Report

For: SEA Maine

By: Pentallct & Merritt Carey

September 2022

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I. Executive Summary

This report considers whether a Seafood Promotional Council that focuses primarily on non-lobster species would be advantageous for Maine and whether there is industry support for such an initiative. On the whole, there is broad support for the development of a Maine Seafood Promotional Council to promote the state's varied seafood industry products.

The high-level takeaways and recommendations of this report include the following:

- Create a Maine Seafood Promotional Council to continue, and expand on, the efforts of the Maine DMR's Seafood From Maine initiative (funded with COVID relief)
- Employ a build, test and refine model with the Council initially housed within an existing Maine organization rather than being a stand-alone entity
- Focus on wild and aquaculture sourced species outside the lobster industry, given the existing Maine Lobster Marketing Collaborative efforts, while supporting efforts to build the value of the Maine seafood brand
- Create an advisory board comprised of members from across the Maine seafood industry to ensure that all entities are represented - harvesters/farmers, processors, associations, wholesalers, retailers, DMR, etc.
- Initially fund the Council via grant sources to prove and refine the concept before identifying more permanent funding sources.

II. Introduction

This project was undertaken by Merritt Carey and Pentallec (Rob Veidenheimer) over a period of 6-8 months. The overall objective was to understand the landscape of Maine's current seafood marketing/promotional activities, examine what other states (and countries/regions) do regarding seafood promotion (and how they fund those activities), gauge industry support for the creation of an entity that promotes Maine's non-lobster seafood products (recognizing Maine already has an entity dedicated to the promotion of lobster), and develop a roadmap to standing up a promotional entity, including relevant funding sources, should there be demonstrated support for the creation of a seafood promotional council entity. This work was funded by SEAMaine, and overseen by a dedicated subcommittee which met regularly with the project consultants throughout the process to offer feedback and guidance. The overall goals and objectives of the project were to:

1. Assess and determine industry support for a Maine Seafood Promotional Council (MSPC);
2. Determine the feasibility of and a path for founding a MSPC;
3. Determine the best initial structure and governance for a MSPC;
4. Develop a path to initial funding for the MSPC, as well as a path for the MSPC to "take the reins" of DMR's "Seafood from Maine" initiative and collateral/assets;
5. Develop an initial operating budget for MSPC;
6. Develop and define measurable benchmarks to demonstrate success; and
7. Develop recommendations for initial activities/marketing/communications

The consulting team employed a multi-phased process to complete the project that included:

1. Planning and Information Gathering
 - Review of existing materials and studies
 - Interviews with Maine stakeholders
 - Surveys of Maine seafood industry leaders
 - Interviews with other state seafood promotional councils to identify best practices and document transitional experiences from start-up to ongoing operations.
2. Development of Recommendations & Roadmap for the MSPC
 - Develop goals and objectives for the MSPC
 - Develop governance recommendations including management and board membership, numbers and composition (ex: harvest/species type, geography, subject matter expertise, etc.).
 - Develop draft bylaws and legal structure recommendations with rationale
 - Outline potential funding sources
 - Develop potential KPIs and measurables
 - Develop marketing/promotional priority recommendations for consideration by the SPC leadership team- gaining industry and political support.
 - Collaborate with other Maine, regional and national entities.

III. Supporting Research Findings

A. Industry Context & Background

As a general matter, Maine has experience with seafood promotional initiatives (MLMC, Seafood From Maine, Maine Oyster Trail, etc.), but no sustained promotional support for non-lobster species. The Maine Lobster Marketing Collaborative is the most substantial seafood promotional entity Maine has, though there are other initiatives that exist. In recent history, Maine lobster has dominated landings both in terms of value and volume (see DMR landings ,pounds and value by species 2017-2021, Appendix), however in the past 5 years the burgeoning aquaculture industry within Maine has taken root, and shows significant promise. The growth of the non-lobster species seafood sector (primarily aquaculture), combined with the COVID-related federal funding which led to DMR’s *Seafood From Maine* initiative, make the development of a seafood promotional council for Maine a priority.

B. Background: Maine’s Seafood Market Development Initiatives, Marketing & Promotional

Leading up to the research completed by Pentallact and Merritt Carey, groundwork had been laid setting the stage for the development of a seafood promotional council. Most notably, CEI’s *Maine Seafood Marketing Initiative*, published in 2020 with support from MTI and Focus Maine, was a comprehensive study that explored potential markets for Maine’s seafood and, significantly, developed an outline for the creation of a Seafood Marketing Promotional Council. The purpose of CEI’s study was multifaceted: to help Maine’s seafood industry identify markets for seafood products; alleviate inventory challenges and retain higher wholesale/retail product value in crowded markets, help Maine seafood producers be competitive and more attractive than low-cost seafood imports, and create sustainable markets for Maine products throughout the US. The end product, a report entitled *Best Domestic Prospects for Maine Seafood*, is a comprehensive market development analysis for the Maine Seafood industry. As part of its research, CEI conducted a survey of Maine’s seafood/aquaculture companies to gauge interest in regional/national market development activities and to identify their market interests and gaps.

CEI used the data and research it conducted to demonstrate the necessity for a Maine seafood promotional entity inclusive of all seafood products. The CEI study concluded that Maine needs a “Seafood Promotional Council”, similar to what is found in most coastal American states. Drawing from its two surveys, the “Maine Seafood Industry Survey” and the “Seafood Promotional Organizations Survey”, CEI designed an early-stage Business Model, complete with staffing, governance, services, and annual budget recommendations for such a promotional entity. CEI’s recommendation was that the establishment of a sustainable, service-based Maine Seafood Promotional entity with a B2B focus would:

- Measurably increase sale/revenue growth in the Maine seafood sector;
- Create/Maintain seafood industry jobs in Maine because of market expansion/industry multipliers;
- Stimulate “outside” investment to bring more money/employment into Maine; and

- Build National Recognition of the quality of Maine’s fresh, frozen and value-added seafood products such that they can command premium prices in regional markets.

Since CEI published its study, the world has transformed as a result of COVID. That said, CEI’s findings are still relevant, and, combined with findings from this project create a compelling picture in support of a Maine seafood promotional council.

C. Maine’s Existing Seafood Promotional Initiatives

Similarly to Maine’s seafood market development initiatives, Maine’s seafood promotional efforts are, with the exception of the lobster industry, siloed and inconsistent. That said, there are effective initiatives that have set the stage for a sustained and strategic Maine seafood promotional effort. Outlined below are promotional efforts currently in place.

Maine Lobster Marketing Collaborative

The most comprehensive and consistent seafood promotional effort Maine has developed in the past decade is the Maine Lobster Marketing Collaborative (MLMC). Previously known as the Maine Lobster Promotion Council (a long-standing effort in place since 1991) the MLMC was founded in 2013 through the legislature (12 M.S.R.A §6455), and is funded by lobster fishermen, lobster dealers and lobster processors, with the mandate to grow demand for both whole live lobster and value-added products. MLMC’s budget has been between 1.9-2 million annually since its inception. While MLMC is not a state entity, its records are public and it must be reauthorized by the legislature every 5 years. Its 11 member board (appointed by Department of Marine commissioner) consists of 4 lobster fishermen (representing different zones); 3 wholesale/processor representatives; 2 ‘public’ members with expertise in marketing, retail, food service or food science and 2 ‘at large’ members. The respective commissioners of DMR and Economic and Community Development serve in an *ex officio* capacity. The structure and funding sources are important to consider; they provide the only seafood industry model Maine has for a promotional entity.

MLMC hired [Weber Shandwick](#) in 2013 as its marketing agency. On behalf of MLMC, Weber has undertaken a number of studies and promotional efforts and while these efforts are in support market development and promotion of Maine lobster, a number of the studies have implications for other species as well. For example, in 2021, MLMC commissioned a study called “Lobster Trends” which looks deeply at lobster, but also examines other seafood data. The image and tables below illustrate consumer segments and their familiarity/comfort with a number of seafood species. This particular report also distills important consumer trends relating to healthy eating, relevant to all Maine seafood.

Another study from 2021 is MLMC’s “Consumer Omnibus”. Highlights from this study include understanding how consumers perceive Maine Lobster and their willingness to pay for it; and the purchasing frequency of Maine lobster versus other seafood. One key takeaway is that “supporting U.S. fishermen has broad appeal” when it comes to willingness to pay and purchase. There is also excellent data in “Maine Lobster Market Channels & Market Channel penetration-Brand Positioning Phase III” which has a list of all national related organizations and events

relevant to all Maine Seafood. Finally, the “7 Core Brand Values” distill simple and straightforward messaging that is place based (Maine) and can apply across all Maine Seafood. This is just a sampling of the data collected and compiled by Weber over the past 8 years; all of it has relevance for Maine’s seafood industry more broadly.

In short, the work that Weber Shandwick has done on behalf of MLMC is relevant and should be utilized in any future endeavors relating to both market development as well as promotional efforts. There are terrific learnings to be had simply through an examination of these studies, reports and promotional endeavors. Data regarding chefs, consumer trends, the appeal of the Maine brand, industry surveys, and a plethora of other information is readily available and should play a significant role in any seafood industry wide initiative. Moreover, as noted above, the structure of MLMC provides an example of how a seafood promotional council could work.

DMR’s Seafood From Maine

Launched by the Department of Marine Resources in December, 2020, Seafood From Maine is an initiative that established a unified Maine Seafood brand to promote the diverse seafood products harvested, cultivated, processed and sold by Maine businesses. The first phase of the initiative, which ended in July 2021, was funded with \$1 million from the Cares Act relief fund. The second phase, which began in the summer of 2022 and will end in June of 2023, is funded by a combination of CARES Act and Consolidated Appropriations Act funds totaling \$900,000.

The decision to invest in this promotional effort for Maine seafood was made after DMR conducted surveys with industry. These surveys revealed a desire for direct support as well as marketing assistance. In addition to surveys, DMR conducted 30 stakeholder interviews around the state last summer (2020) which helped inform the “Maine Knows Seafood” strategy and campaign. DMR hired Weber Shandwick to develop and oversee the campaign.

The goal of the program was to help Maine Seafood suppliers deal with the pandemic-driven supply chain breakdown. DMR’s strategy included creating a unified brand for Maine Seafood, and targeting consumers with brand promotions that direct buyers to online recipes, product information, how-to guides, industry profiles, and a directory of suppliers, of which there are currently 156. Success is evaluated as a measure of brand awareness via interactions with earned, owned and paid content, and intent to purchase via interaction with the supplier directory, which has received nearly 8,000 pageviews since launch. Phase two of the program will involve promotions that continue focusing on B to C promotions but will add a B to B component to help Maine’s wholesale dealers connect with buyers.

The primary significance of this effort is its inclusivity: the platform is charged with promoting all Maine Seafood. As a promotional effort to build B to C awareness of Maine seafood and brand Maine Seafood, it is an excellent first step and creates a starting place for further industry-wide promotional work.

The Maine Oyster Trail

The first Oyster Trail of Maine was first launched in 2017 by Maine Sea Grant in collaboration with the Maine Aquaculture Association, the Maine Aquaculture Innovation Center, and

University of Maine Cooperative Extension. The Trail was designed to educate consumers about oyster farming in Maine, and includes a directory of over 30 oyster farms, as well as restaurants, distributors, and seafood markets. Educational materials, like the Oyster Trail of Maine [fact sheet](#), and collaboration with the [In a Half Shell](#) blog built excitement and awareness for Maine oysters and the Trail.

In 2020, the coronavirus pandemic had a major impact on Maine's burgeoning oyster industry. To adapt to market changes, many oyster farmers began to diversify their businesses by incorporating direct-to-consumer sales, farm tours, and shucking events. In response, Maine Sea Grant and the Maine Aquaculture Association began to rebuild the Maine Oyster Trail to connect visitors to these new opportunities. The new Maine Oyster Trail is the first interactive and online oyster trail in the rapidly growing agritourism sector. The Trail features interactive virtual tools, like a customizable trip planner and mobile passport, to make it easier than ever to discover experiences that capture the spirit of Maine's coast and oyster farms.

The Maine Oyster Trail helps consumers discover "*the way oysters should be.*" The Trail invites visitors and locals alike to discover Maine's coast and oyster regions through farm tours, shucking lessons, community events, raw bars, and opportunities to purchase oysters directly from farmers. The Trail aims to highlight these local businesses and provide authentic experiences unique to Maine. In addition to drawing visitors, the Maine Oyster trail works closely with oyster farmers to understand their unique operations and provide them with the tools and support they need to explore new business opportunities through tourism.

The significance of this effort lies primarily in its place-based and experiential nature. It was the only experiential promotional effort in Maine and can provide valuable learnings for tourism and the intersection between tourism and seafood for Maine. The Maine Oyster Trail offers an excellent pilot of an agritourism effort that can be built on to include other species, farmed or wild caught in the future.

IV. Stakeholder and Industry Insights

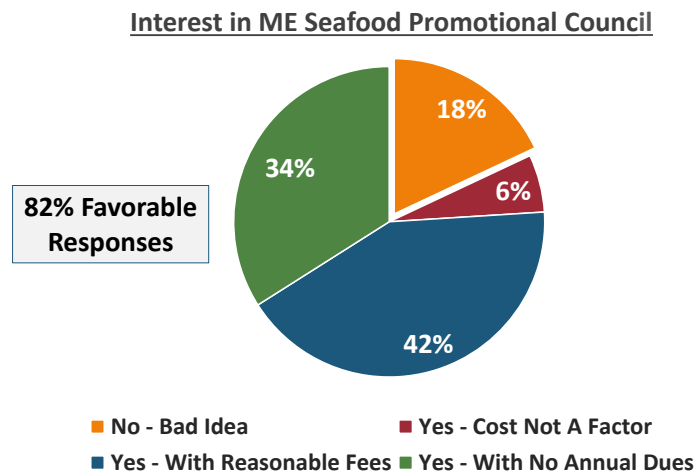
In order to measure industry support for a seafood promotional council, the consultants for this project undertook a series of interviews with key Maine seafood industry stakeholders and conducted a comprehensive online survey. The survey was completed by 180 (non-exclusively lobster) industry members and designed to gauge interest in the development of a Maine Seafood Promotional Council, its operating practices and structure. See Appendix interview list.

A summary of findings from the interviews includes:

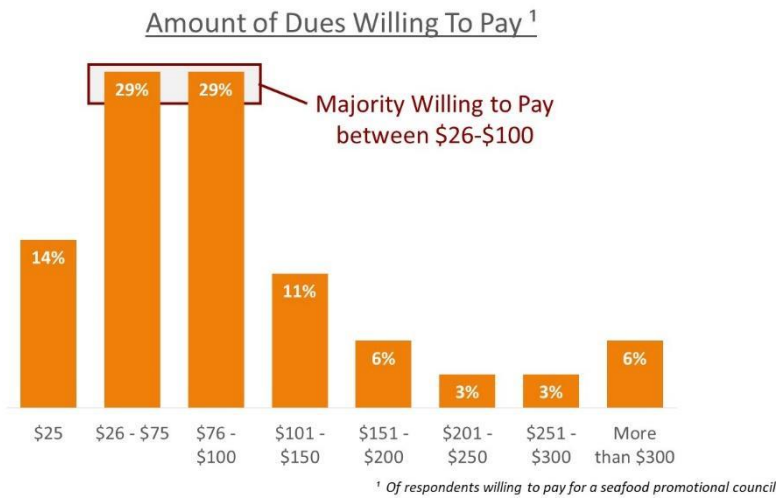
- Near universal support for a seafood promotional council
- Most likely separate from, but exploring collaborative opportunities with, the Maine Lobster Marketing Cooperative (MLMC)
- Initially aligned with an existing Maine entity, or association, rather than creating a stand-alone organization (Maine Aquaculture Association, Maine Coastal Fishermen’s Association, Focus Maine, Maine Development Foundation are a few potentials)
- Initial funding sourced via grants to prove concept, with a transition over time to legislative appropriations and/or industry contributions
- Steering committee, or board, comprised of a combination of association leadership, harvesters/fishermen across wild and farmed operations and species, processors and other industry experts (public and private)
- Focus on promoting the quality and breadth of Maine-sourced seafood to the supply chain outside of Maine and consumers, and building value of the Maine brand to ensure strong price in the future

Insights from the online survey include:

- More than 80% of respondents that did not work exclusively in the lobster industry were supportive of a Maine Seafood Promotional Council.
- Of the respondents in favor of a Seafood Promotional Council, approximately 60% expressed a willingness to contribute financially to the council, while approximately 40% supported the council but did not want to contribute to its efforts.

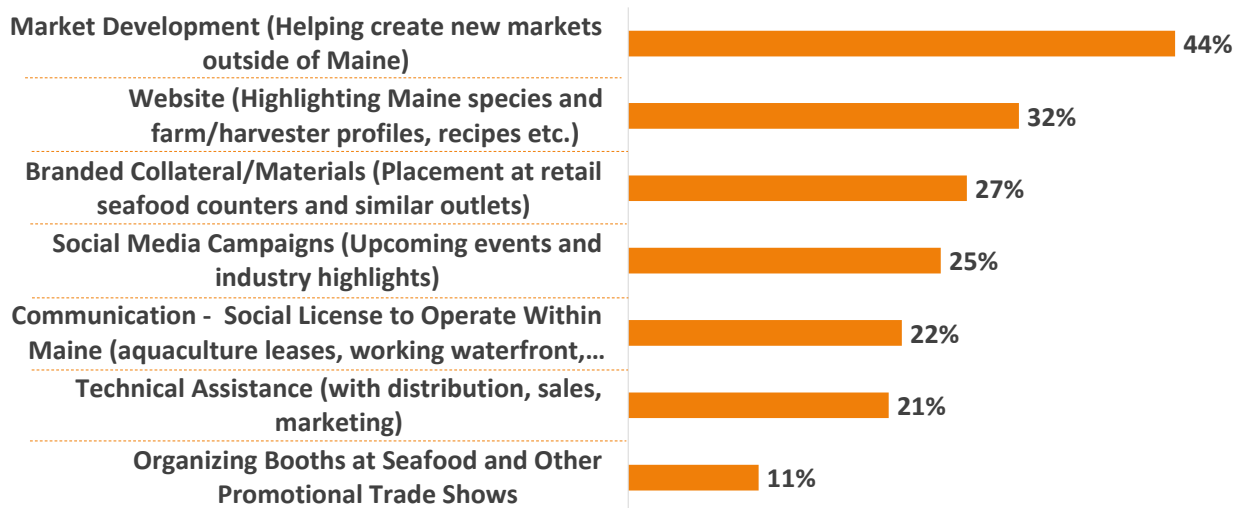


- Of the respondents that expressed a willingness to financially support the council, the most common range was between \$26-\$100 annually.



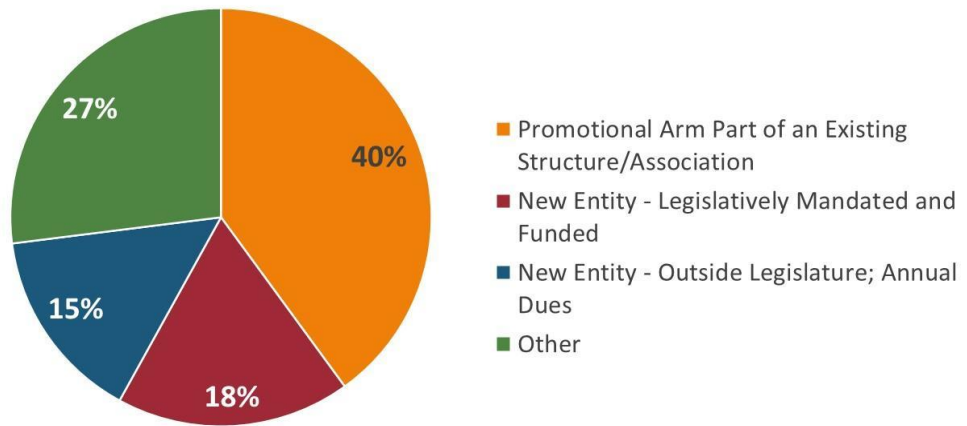
- Survey respondents identified a variety of services that a Seafood Promotional council could provide to support the industry, with the highest priorities including market development efforts to expand demand for Maine seafood outside the state and building marketing/promotional capabilities to reach industry members and consumers (websites, branded materials, social media, etc.).

Services Most Helpful



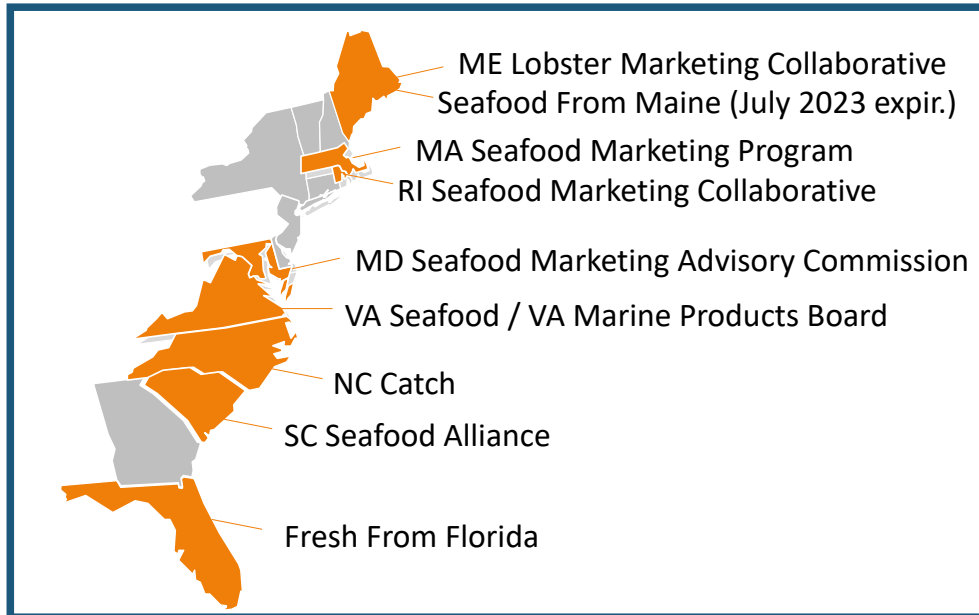
- The largest group of respondents prefer to have the Seafood Promotional Council initially stand within an existing organization or association.

Preferred Seafood Promotional Council Structure



V. Other State Seafood Promotional Councils

The majority of U.S. East Coast states have either dedicated seafood promotion organizations or collaborative efforts among industry members to support the industry in their states. The level of resourcing and activities varies across the states.



Structure and Governance

Most state seafood promotion entities are operated within a state-managed agency rather than independent privately-managed organizations.

The state seafood promotional organizations typically have lean staffs responsible for executing plans that are developed in collaboration with their steering committees. Most state seafood promotional organizations have steering committees of 10-20 individuals comprised of a combination of state employees, seafood-related associations and private industry members.

Funding Sources & Budgets

Funding is typically sourced from a portion of commercial licensing fees, state legislative appropriations and/or grants. The level of funding varies by state, with an average for states reporting a budget of \$250,000 - \$300,000.

The budgets typically cover both staff/overhead costs as well as marketing & promotional initiatives, so “working funds” are generally limited. Most state promotional entities acknowledged that current funding levels limited their ability to promote their state’s seafood as actively as they would like and many were seeking additional funding sources.

Note: States with shoreline along the Gulf of Mexico also received significant, temporary funding in the aftermath of the 2010 BP Deep Horizons oil spill. A portion of these funds were used for state marketing initiatives to reestablish consumer confidence in, and demand for, Gulf-sourced seafood.

Marketing & Promotional Priorities

The majority of state seafood promotional efforts are focused on website development and content, social media, trade show participation and branded merchandising support. Website and social media content typically includes species overviews, recipes, seafood health benefits, fishermen/harvester profiles, upcoming events and, in some cases, species/product availability information.

Given the proprietary nature of company-specific sales information and variability of landings data, most state seafood promotional organizations do not measure a quantifiable return on investment (ROI) for their marketing efforts via sales, but rather look for longer term favorable trends in consumption, consumer awareness and/or participation in marketing programs (website interactions, trade show participation, branded materials utilization, etc.).

State	Name	Managing Organization	Management/ Governance	Annual Budget	Funding Sources	Mktg/Promo Priorities
MA	MA Seafood Marketing Program	Dept of Marine Fisheries	Program Coordinator Governor appointed Steering Committee (19) ¹	\$250,000 (excluding grants)	Commercial fishing licenses Periodic grants	Trade Shows Recipes Radio Advertising Logos
RI	RI Seafood Marketing Collaborative	Dept. of Environmental Management	DEM Chair Governor appointed Steering Committee (19) ¹	\$300,000+	\$20,000 state appropriation \$300,000 Saltonstall-Kennedy grant	Website Logo/Brand Social Media
MD	MD Seafood Marketing Advisory Commission	MD Dept. of Agriculture	Dir. Of Seafood Marketing Commission Members (13)	N/A	\$20 commercial fishing and seafood processing license surcharge	N/A
VA	VA Seafood / Marine Products Board	VA Dept. of Agriculture/Marine Resources Commission	Executive Director Governor appointed Steering Committee (11) ¹	\$300,000	Commercial fishing licenses Limited Dept. of Ag. support	Trade Shows Local Billboards Social Media
NC	NC Catch	N/A	N/A	N/A	N/A	N/A
SC	SC Seafood Alliance	Private Non-Profit	Director Board Oversight (8-10)	N/A	Grant-based funding	Website Videos
FL	Fresh From Florida	FL Dept. of Agriculture; Division of Marketing	Div. of Marketing Team Legislative oversight	N/A – multiple efforts across FL agric. products	Commercial license fees	TV Ads/Videos Website Brochures/Recipe Cards Trade Shows Retail Promotions

¹ See Appendix for oversight committee compositions.

Best Practices

Best practices identified by other state seafood promotional organization management and Pentallact/Carey include:

- *Focus*: Align efforts against top priorities given relatively limited budgets. Employ a test, measure and refine approach to promotional efforts.
- *Reliable Budgeting*: Identify steady, recurring funding sources to enable sustained efforts and ongoing plan development. Numerous state seafood promotion organizations cautioned against building a model that was reliant on grant-based funding, given the variable nature of securing grants.
- *Funding*: Utilize a combination of state, industry and grant funds initially. Prove concept utilizing grants and/or limited state funds prior to securing ongoing financial commitment from industry and/or legislature.
- *Metrics*: Measure effectiveness against longer-term key performance indicators. Examples include: growth in commercial landings (with recognition that biomass levels, quotas and regulations may impact volumes), state seafood industry employment trends, consumer awareness via ongoing benchmarking studies

See Appendix for representative examples of other state seafood promotional organizations, including Alaska Seafood Marketing Institute (ASMI), which is included to provide context for how a much larger state seafood industry supports its constituents.

VI. Potential Funding Sources

Funding for the Promotional Council will be the greatest challenge initially. As evidenced by the survey results; industry currently is unwilling to fund a promotional council. This means that initial funding must come from external sources.

A. Grant Related Funding

In collaboration with the Maine Development Foundation, DMR and SEAMaine, consultants for this project submitted a pre-proposal letter for a Saltonstall-Kennedy grant (\$300k request); full proposals are due Oct. 31, 2022. The project timeline under the SK funding is September, 2023 for 2 years. The funding request was to create and operate (for a year) a Maine Seafood Promotional Council. Should the funds be awarded, they would come in September, 2023, around the same time DMR's funds for the Seafood From Maine initiative run out, making the timing perfect. See appendix for the pre-proposal letter.

The primary priority for this round of S-K funding is "Promotion, Development, and Marketing" along the following lines:

- Promote better business practices to increase market demand for, and value-added of, U.S. commercial and recreational fish species.
- Develop collaborative and improved regional, national, and global public relations and marketing opportunities that can position the U.S. seafood industry to increase domestic production and better compete in global markets.
- Include marketing strategies which involve participation of the seafood industry locally, regionally, or nationally.

Other potential grant funding sources include Maine Department of Agriculture and/or US Department of Agriculture, Food Export Northeast, etc.

B. Additional entities that could play a funding/leadership role include FocusMaine (we have had initial discussions and are planning further conversations in the fall), as well as other grant opportunities or potentially private foundations.

VII. Seafood Promotional Council Recommendations

Structure and Governance

Given the wide range of the combined non-lobster fisheries, and the fact that this will be the first seafood promotional council in Maine, one of the guiding principles for this endeavor is to begin with a small, nimble initiative that can be adjusted or altered easily as it grows. With that in mind, based on interviews and survey results, we recommend standing up the MSPC under an existing entity as an initial way to pilot the concept, minimize costs, leverage existing infrastructure, collateral assets and human capital.

The MSPC could have its initial home under several existing entities: FocusMaine, Maine Aquaculture Association, Maine Coast Fishermen's Association, or the Maine Development Foundation. An obvious choice is Maine Lobster Marketing Collaborative, however, given the legislatively mandated nature of that entity, it is impractical at the time. That said, this entity must work closely with MLMC and ideally have a board member from MLMC.

This initial start up will be guided by an advisory group, ideally comprised of members from DMR's Seafood from Maine advisory panel (see appendix). SEAMaine must play a role in stewarding this project as well. We recommend that at least 1-2 members from the marketing subcommittee that has overseen the work on this report sit on the advisory committee. We further recommend that Maine Development Corporation is employed to oversee the administrative functions of convening meetings, taking minutes etc. Lastly, we believe the effort will be most successful with a SEA Maine funded consultant to push the project forward; we do not believe a volunteer only board will be able to see the project through. It is possible that project management from Maine development Corporation in collaboration with the advisory panel will be enough. That is a decision to be made by SEAMaine committee members.

As we envision the process, the primary goals of the advisory panel is to::

- Oversee the transition of DMR's Seafood from Maine assets to the new MSPC
- Oversee the creation of a board of directors as well as development of draft bylaws
- Assist in hiring an executive director, or staff person
- Steward the creation of the MSPC
- Develop a budget based on funding availability, sources
- Support the executive director/staff in identifying initial promotional priorities

Ultimately, the Board of Directors should be comprised of 12-15 members and consist of an inclusive range of Maine seafood industry participants to ensure varied stakeholders, including:

- Executive Director: 1
- Associations (MAA, MCFA, etc.): 2-3
- Fishermen/Harvesters (finfish, shellfish and seaweed - wild and farmed): 3-5

- Processors (finfish, shellfish and seaweed): 2-3
- DMR liaison: 1
- Wholesaler/distributor: 1-2
- Retailer: 1-2
- Member(s) of the public at large with experience in marketing and promotion, retail sales, food service, or food science

Initial Funding and Priorities

The initial Seafood Promotional Council budget will need to support both administrative and marketing costs. Based on an assessment of initial priorities and other state budgets, the recommended start-up budget range is \$300,000 - \$450,000. It's recommended that the initial budget be funded via grants, with a transition to either industry self-funding via commercial license fees and/or state legislature appropriations once the concept has been tested, refined and proven its worth.

Initial budget priorities include hiring an Executive Director and activating the initial marketing and promotional priorities that are identified by the Advisory Panel/Board of Directors.

Potential initial marketing priorities include:

- Transitioning and realigning (to extent necessary) DMR's *Seafood From Maine* assets to promotional council
- Development of marketing plan to build value of overall Maine Seafood Brand, which could include state and regional communication efforts, working with Department of Agriculture, and the Maine Lobster Marketing Collaborative
- Market development outreach (trade shows, supply chain engagement, etc.).

Measuring Return on Investment

Calculating a return on investment (ROI) for the Seafood Promotional Council will require a longer-term assessment of industry performance relative to a set of metrics, or Key Performance Indicators (KPIs). Rather than focusing exclusively on website visits and social media interactions, which are reasonable metrics to measure, recommended ROI KPIs include:

- Sustained, or improved, harvest value relative to similar species from other markets (increased value of the Maine seafood brand/products)
- Growth trends in non-constrained species landings (farmed and wild)
- Improvements in baseline county-by-county economic metrics related to seafood industry employment, wages, number of establishments, etc. from the recently

approved economic analysis study. *Note: Specific metrics will be determined once the final economic study elements are determined.*

While improvements in these metrics cannot be solely attributed to Seafood Promotional Council efforts, with strong collaboration between the Council and industry members, there should be a high correlation between promotional council efforts and results in these areas. Of note is a baseline county by county study currently being undertaken. The indicators from this economic study are metrics the council board should be aware of and watch, they include: employment, wages, value added and number of establishments. In short, the Maine Seafood Promotional Council must be in sync with and in pursuit of general positive economic indicators for Maine. The promotional council at its core must be established as an “all boats rise” entity: not one that simply seeks to sell more seafood for the benefit of select Maine businesses. Another broad and long-term goal should be collaboration with the agriculture sector and Maine tourism. While outside the scope of this report, there is much to be gained from broad collaboration among the clearly overlapping interests of agriculture, fisheries and tourism.

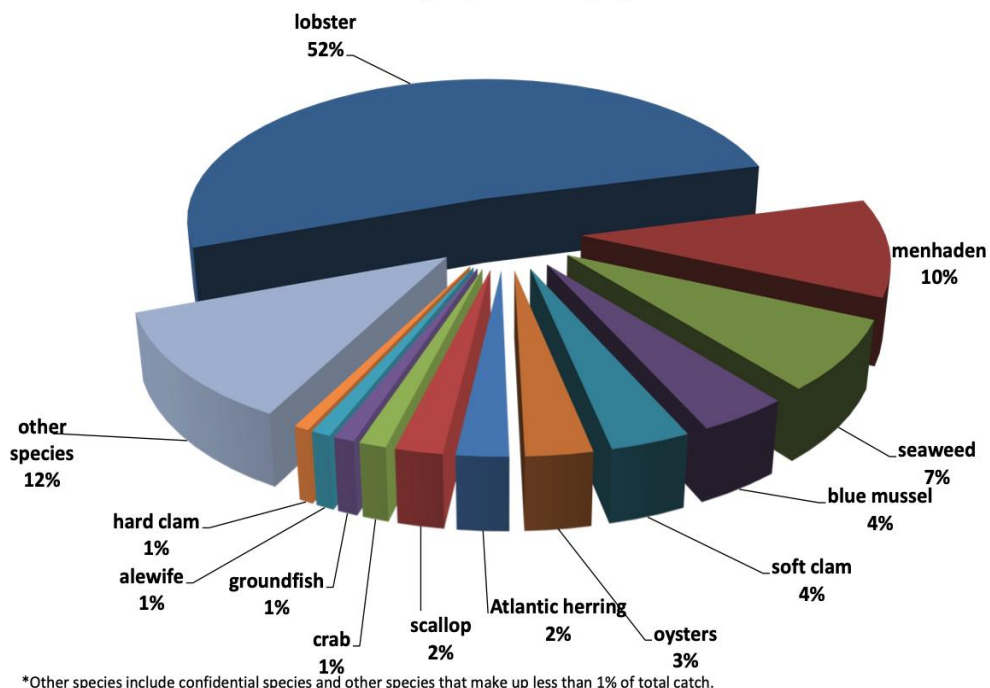
Challenges

There are three primary challenges facing the creation of a seafood promotional council:

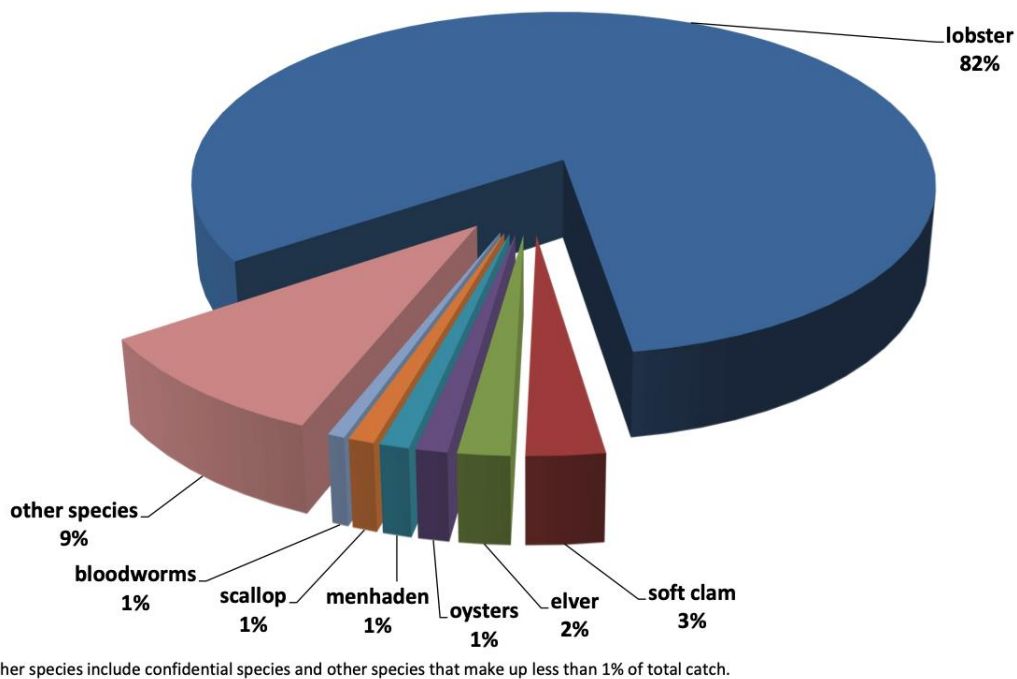
1. Definition of “Maine Seafood”

How Maine Seafood gets defined is an important consideration, politically and economically. On the one hand, in its most narrow iteration, Maine Seafood could be defined as seafood fished in Maine waters, landed on Maine shores and excluding land-based aquaculture. On the other hand, Maine seafood could be any seafood product that touches Maine in some way. For example, Ducktrap, a success story in the Maine Seafood industry by any measure, historically has not processed any locally harvested product but they would be a tremendous asset to the Maine Seafood Promotional Council. Part of the analysis regarding what is considered Maine seafood for purposes of the promotional council relates to the fact that when you set lobster aside, the Maine seafood industry is relatively small as illustrated by the most recent DMR landings data, below (volume and value). As a result, to have gravitas, the council should cast a wide net vis-a-vis membership.

Preliminary 2021 Commercial Maine Landings By Live Pounds
 Total: 211,045,485 as of 3/31/2022



Preliminary 2021 Commercial Maine Landings By Ex-vessel Value
 Total: \$890,668,873 as of 3/31/2022



Project consultants recommend a wide definition of Maine Seafood in order to be able to leverage a wide base of economic and infrastructure support. Potentially down the road there could be a subset of the promotional council that focuses on products landed in Maine, but to start, casting a wide and inclusionary net will give the promotional council its best chance for success.

Lastly, further consideration should be afforded to whether “seafood” from Maine contemplates only seafood, or whether non food grade products should be included as well. These include skin care products, plant biostimulants and other emerging biotech products. This is a matter which deserves further analysis and discussion.

2. Many Species, One Brand

Related to the issue of how we define Maine Seafood is the issue of providing value for a wide range of species and companies. The Maine Lobster Marketing Collaborative provides an example as it has successfully (though not without challenges) managed the needs of lobster dealers as well as the needs of harvesters (two groups that historically have been at opposite sides of the table). The seafood promotional council will have a far greater breadth of interests to manage - from the single owner-operator oyster farmer to a seafood processing facility such as Bristol Seafood. In its first year or so, while the entity is funded externally, it’s likely that managing divergent expectations and needs will not be terribly difficult, but as the entity becomes industry funded, managing expectations will likely become more challenging. A related consideration is defining measurables and metrics. Given the breadth of interests this will prove challenging. Clearly defining what the promotional council is and is not at the outset will be critical (i.e. It is not a sales entity, it is a promotional entity). Along the same lines, managing expectations and selecting a diversified managing advisory board will also be critical steps.

3. Funding

As discussed earlier, initial external funding will be critical. Ultimately, generating value to industry will be essential for building industry and/or legislative support to participate in MSPC funding.

VIII. Implementation Timeline

Date	Description	Responsibility
September 2022	Compile draft recommendations / report	M. Carey / Pentallact
September 2022	Incorporate steering committee feedback into SPC report / recos.	M. Carey / Pentallact
July 18; Oct. 31, 2022	Letter of submission for SK grant; apply for grant	Advisory committee
Oct./Nov. 2022	Determine umbrella entity and/or structure	Advisory committee
Oct/Nov, 2022	Create advisory board/transitional team Need paid project manager to drive process (RFP?), transitional ED?	Advisory committee; DMR advisory comm.
Sept, 2022	Hire grant writer for SK Determine other potential funding sources	Per report
Fall, 2022-June 2023	Stand up entity (whether under existing entity or its own) Works collaboratively with SMR advisory committee to transition assets; develop marketing plan and solidify budget; develop specific milestones, goals for year 1	DMR advisory committee, project manager, council advisory committee

Appendix

Acknowledgements

The Sea Maine Market Development Subcommittee and consultants Merritt Carey and Pentallett (Rob Veidenheimer) would like to thank the broad group of individuals and their respective organizations who are dedicated to the Maine seafood industry and supported the research and development of this report by making themselves available and providing valuable insights. Many of these dedicated individuals are identified throughout the Appendix.

DMR Landings by value and pounds

2017-2021* Commercial Maine Landings					
Species	2017	2018	2019	2020	2021*
alewife					
Pounds	1,682,174	1,963,269	2,154,678	1,576,645	1,835,855
Value	\$569,623	\$677,530	\$818,193	\$586,668	\$723,291
Atlantic herring					
Pounds	65,415,273	62,167,813	13,544,350	11,537,719	4,903,850
Value	\$17,712,598	\$16,654,578	\$5,933,499	\$4,206,324	\$1,856,658
bloodworms					
Pounds	403,136	415,065	393,509	391,811	289,752
Value	\$6,442,499	\$6,659,399	\$6,286,131	\$6,786,173	\$5,575,533
blue mussel					
Pounds	7,223,321	9,804,542	11,506,077	9,227,317	8,539,962
Value	\$2,125,701	\$2,738,476	\$3,405,966	\$2,781,852	\$4,388,831
crab					
Pounds	3,369,809	3,543,590	2,717,710	1,830,368	2,574,059
Value	\$1,783,173	\$2,167,802	\$1,463,788	\$1,016,253	\$1,919,174
elver					
Pounds	9,343	9,194	9,750	9,652	9,106
Value	\$12,166,417	\$21,753,350	\$20,197,518	\$5,067,521	\$16,681,103
groundfish					
Pounds	3,200,299	4,127,730	3,312,387	2,069,383	1,973,307
Value	\$4,558,798	\$4,938,868	\$4,010,117	\$2,185,854	\$2,533,871
hard clam					
Pounds	1,183,587	1,638,852	2,075,185	1,675,200	1,441,983
Value	\$1,744,193	\$2,657,025	\$3,757,608	\$2,644,125	\$3,238,245
lobster					
Pounds	112,101,211	121,039,988	102,220,639	97,898,664	108,889,871
Value	\$438,976,767	\$490,596,367	\$493,003,762	\$412,487,339	\$730,596,022
mahogany quahog					
Pounds	2,850,532	2,434,542	1,921,118	1,326,192	0
Value	\$1,202,528	\$1,072,330	\$894,474	\$613,780	\$0
menhaden					
Pounds	9,048,921	14,816,783	25,298,442	26,972,192	22,129,430
Value	\$3,230,476	\$4,445,032	\$6,855,802	\$7,093,687	\$9,537,660
other species					
Pounds	14,861,962	22,050,525	25,649,887	16,461,518	22,412,989
Value	\$46,843,894	\$52,692,875	\$73,444,388	\$39,118,015	\$60,667,633
oysters					
Pounds	2,800,178	2,790,213	3,276,796	4,037,415	6,289,513
Value	\$6,679,667	\$7,286,107	\$7,665,497	\$6,025,808	\$10,143,631
periwinkle					
Pounds	728,733	664,847	573,794	264,302	454,967
Value	\$745,474	\$638,593	\$599,696	\$297,226	\$730,577
sandworms					
Pounds	201,542	196,532	208,676	235,998	187,702

Maine Industry Stakeholder Interviews

Entity	Name
Atlantic Sea Farms	Brianna Warner, Jesse Baines
Bahama Biters	Frank Simon
Bristol Seafood	Irene Moon
Coastal Enterprises Inc. (CEI)	Nick Branchina
Community Shellfish	Bo Marsh
Downeast Dayboats	Togue Brawn
Founder, Ducktrap	Des Fitzgerald
FocusMaine	Kim Hamilton, Dana O’Brian
Glidden Point Oysters	Ryan McPherson
Maine Aquaculture Association	Sebastian Belle
Maine Coast Fishermen’s Association	Ben Martens, Monique Combs
Maine Coast Sea Vegetables	Seraphina Erhart
Maine Department of Marine Resources (DMR)	Jeff Nichols
Maine Lobster Marketing Collaborative	Marianne LeCroix
Mook Sea Farm	Andrew Marshall

Other State Promotional Council Interviews

Note: Additional state seafood promotional council insights were obtained via email exchanges and web-based searches.

State	Promotional Organization	Contact
MA	MA Seafood Marketing Program	Wendy Mainardi
RI	RI Seafood Marketing Collaborative	Bob Ballou
VA	VA Seafood / Marine Products Board	Mike Hutt
SC	SC Seafood Alliance	Amy MacKown
FL	Fresh From Florida	Paul Davis

State Seafood Promotional Council Oversight Committee Structures – Representative Examples

Organization	Oversight Committee Information
MA Seafood Marketing Program	The steering committee shall consist of the director of marine fisheries or a designee who shall serve as chair, the commissioner of fish and game or a designee, the commissioner of agricultural resources or a designee, 2 members of the senate, 1 of whom shall be the chair of the joint committee on environment, natural resources and agriculture and 1 of whom shall be appointed by the minority leader, 2 members from the house of representatives, 1 of whom shall be the chair of the joint committee on environment, natural resources and agriculture and 1 of whom shall be appointed by the minority leader, and 12 persons to be appointed by the governor, 1 of whom shall be a representative of wholesale seafood dealers, 1 of whom shall be a representative of the seafood retail business, 1 of whom shall be a representative of the seafood restaurant business, 2 of whom shall be representatives of fishing industry advocacy organizations, 4 of whom shall be representatives from the commercial fishing and harvesting industry, 1 of whom shall be a representative of the lobster industry, 1 of whom shall be a representative of the scallop industry and 1 of whom shall be a representative of the wild caught shellfish industry.
MD Seafood Marketing Advisory Commission	The Commission is comprised of 13 members: five represent the seafood packers; two represent licensed Maryland watermen; 1 represents the retail food industry; one represents the aquaculture industry; two represent consumers; one represents the Secretary of Natural Resources; and one represents the Secretary of Agriculture.
RI Seafood Marketing Collaborative	The nine-member Collaborative consists of representatives from five state agencies – the Departments of Environmental Management, Health, and Administration, Coastal Resources Management Council, and Economic Development Corporation – as well as the University of Rhode Island. Its ten-member Advisory Council consists of representatives from the following sectors: fish wholesale or processing, lobster and crab wholesale or processing, shellfish wholesale or processing, aquaculture wholesale or processing, seafood retail, the restaurant industry, shellfish harvest, fisheries management, marine science, and the hospitality industry.

Virginia Seafood / Marine Products Board	The Marine Products Board shall consist of eleven members appointed by the Governor from among those persons who earn their livelihood from the seafood industry. One member of the Marine Products Board shall be involved in the Virginia menhaden fishery. The members of the Marine Products Board shall serve three-year terms. No member shall be eligible for appointment to more than two consecutive terms.
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Other State Seafood Promotional Council Overviews – Alaska and Florida

Note: Given their scale and marketing practices, overviews of Alaska’s Seafood Marketing Institute (ASMI) and Florida’s Fresh From Florida promotional programs are included in the Appendix to provide additional insights regarding state seafood promotional activities. While these states’ scale enables them to fund and execute programs at a level not currently attainable in Maine, there is value in understanding their promotional practices.

Alaska Seafood Marketing Institute

The Alaska Seafood Marketing Institute (ASMI) is a marketing organization with the mission of increasing the economic value of the Alaska seafood resource through:

- Increasing the positive awareness of the Alaska Seafood brand;
- Collaborative marketing programs that align ASMI and industry marketing efforts for maximum impact within the food industry;
- Championing the sustainability of Alaska’s seafood harvests resulting from existing Alaska fisheries management imperatives. (State of Alaska Constitution and Magnuson-Stevens Fishery Management and Conservation Act and The Halibut Act);
- Proactive marketing planning to address short and long-term goals while remaining flexible and responsive to a changing environment and economy;
- Quality assurance, technical industry analysis, education, advocacy and research;
- Prudent, efficient fiscal management.

ASMI is a public-private partnership between the State of Alaska and the Alaska seafood industry established to foster economic development of a renewable natural resource. ASMI is playing a key role in the repositioning of Alaska’s seafood industry as a competitive market-driven food production industry. Its work to boost the value of Alaska’s seafood product portfolio is accomplished through partnerships with retail grocers, foodservice distributors, restaurant chains, foodservice operators, universities, culinary schools, and the media. It conducts consumer campaigns, public relations and advertising activities, and aligns with industry efforts for maximum effectiveness. ASMI also functions as a brand manager of the Alaska Seafood family of brands.

ASMI's 2018 strategic plan is instructive, and though a few years old, provides a wide array of insights that are applicable to Maine.

ASMI's board of directors is appointed by the Governor of Alaska and includes representatives of 5 processors (4 large processors, 1 small processor) and 2 commercial harvesters, as well as ex-officio members representing the Alaska Senate, Alaska House of Representatives, Office of the Governor, and Alaska Department of Commerce, Community, and Economic Development. Currently, ASMI has 20 FTEs, and its 2020 operating budget was \$15,491,506.

Fresh From Florida

The "Fresh From Florida" program promotes Florida agricultural products through consumer marketing campaigns, partnerships with 100+ domestic and international retailers, and an established presence at prominent industry trade shows. Fresh From Florida was established in 1990 by the Florida Legislature and supports Florida's farmers, ranchers, fishermen, aquaculturists and horticulturists by helping market Florida-grown products around the world.

The member-based "Fresh From Florida" program (run by the state Department of Agriculture), supports both small and large producers with a widely recognized brand, marketing campaigns, retail partnerships and industry outreach conducted by the Florida Department of Agriculture and Consumer Services.

There are two types of memberships:

1. Paid Membership \$50/year for producer, producer u-pick, broker, shipper, distributor, packer, repacker, wholesaler and allied member; and
2. Non-Paid Membership for Nonprofit/educational organizations, retailers, grocery stores, roadside produce stands, farmers markets, garden centers, restaurants and seafood/aquaculture

Member benefits vary depending whether an entity is a paid or unpaid member, but include such assets as use of the "Fresh from Florida" logo, training and technical assistance on marketing, exporting and grants, discounted industry trade show participation opportunities And trade lead opportunities. The complete break out of membership benefits can be seen here.

Through partnerships with retail grocery stores, trade shows, and retailers such as Subway, Fresh from Florida reaches over 50 million consumers annually. Food producers that meet

standards can use the "Fresh from Florida" logo on product packaging and signage to highlight locally-grown commodities.

According to a press release, Fresh from Florida achieves a \$22 return on investment for every \$1 invested. The program helps power Florida's second-largest industry, generating an additional \$137 million in cash receipts for Florida's more than 47,000 farmers and ranchers, and has created \$840 million in sales from trade shows since 2013. Annually, the brand contributes 2,300 new jobs and \$12.8 million in tax revenue to the state of Florida.

Fresh from Florida has also partnered with up to 70 national retailers in 25 different countries, making Florida one of the top states in agricultural exports. The Department's 2020-21 budget is \$10.8 million

Saltonstall-Kennedy Grant Pre-Proposal Letter

Organization Name: Maine Development Foundation Title: Maine's Seafood Promotional Council

Principal Investigators: Erica Watson, ewatson@mdf.org

Priority: Promotion, Development and Marketing

Background and Overview: Maine is well known for its lobster; currently its greatest fishery in terms of both landings and value. Maine's lobster industry already has an established marketing program coordinated by the Maine Lobster Marketing Collaborative. However, there is no such entity to support the marketing and promotional needs of the harvesters, aquaculturists, dealers and processors supplying Maine's other seafood products. In 2021, non-lobster species, including those cultivated by aquaculturists, were valued at more than \$160,000,000 for harvesters and sea farmers. The overall value of these other species, when accounting for added value through the supply chain is estimated at roughly \$480,000,000. Building and maintaining markets and demand that supports consistently strong value throughout the supply chain and benefits Maine harvesters, aquaculturists, dealers, processors, remains a challenge. The creation and development of a Maine Seafood Promotional Council, with an emphasis on meeting these challenges will ensure Maine's sustainable fisheries, its working waterfronts and fishing heritage thrive.

To date, there has been considerable work done to pave the way for the creation of a Maine Seafood Promotional Council. In early 2020, Coastal Enterprises Inc. (CEI), a Maine-based nonprofit with decades of experience in fisheries and working waterfront projects, produced a report entitled Best Domestic Prospects for Maine Seafood. CEI conducted a survey of Maine's seafood/aquaculture companies to gauge interest in market development activities and to

identify their market interests and gaps. CEI designed an early-stage business model for a Maine seafood promotional entity. CEI concluded that the establishment of a sustainable, service-based Maine Seafood Promotional entity would measurably increase sales growth in the Maine seafood sector, create/maintain Maine seafood industry jobs, stimulate industry investment and build national recognition of Maine's seafood products. The pandemic shelved the initiative but led to other progress. Maine's Department of Marine Resources (DMR) has received a total of \$1.9mm through both the CARES Act and the Consolidated Appropriations Act through June 30, 2023. With this funding, DMR sought industry feedback on how to promote Maine's Seafood industry. Industry identified the need for a consumer-facing marketing approach and DMR responded by developing a "Seafood From Maine" campaign and a unified brand for Maine Seafood to build demand among U.S. consumers and help them find Maine suppliers to source their products. These initiatives are scheduled to end in June 2023 at the conclusion of the funding window.

Currently, SEAMaine, (Seafood Economic Accelerator for Maine), an industry-led initiative bringing together leaders in Maine's commercial fishing, aquaculture, and seafood economy, and funded by the U.S. Department of Commerce Economic Development Administration, the Maine Technology Institute and FocusMaine, is developing a roadmap for economic growth, market and workforce development, and greater resiliency in Maine's seafood economy. Part of that roadmap involves further research to support the development of a Seafood Promotional Council for Maine. SEAMaine has hired a team to determine whether a Seafood Promotional Council will help Maine's seafood industry, and if so, the best path forward for the Council's establishment.

To date, the SEAMaine team has undertaken the following; research into other states and regions seafood promotional initiatives (AK, MA, RI, CT, MD, VA, NC, SC, FL, AL), extensive industry interview to gauge support for such an initiative, and a comprehensive survey sent to seafood industry members to determine interest. Industry has expressed strong support for a Seafood Promotional Council for Maine, particularly as other states and regions develop marketing efforts that increase competition for market share, and issues like supply chain disruptions cause market access challenges. Moreover, industry is keen to see the development of a strong Maine brand for seafood to ensure a strong competitive position in the marketplace. The Maine Lobster Marketing Collaborative (MLMC), an initiative funded by the lobster industry, provides an excellent roadmap for standing up a promotional council and has been collaborating with the SEAMaine team.

Rationale and Relevance: A confluence of three factors makes the timing of this initiative critical.

1. First, the assets and work DMR has put into promoting Maine's Seafood Industry to date are significant. This initiative is funded through June, 2023, but currently there is no funding to

advance this initiative after June, 2023. The creation of Maine's Seafood Promotional Council will create a vessel to hold, expand on and continue the impressive work DMR has done to date, ensuring the funds spent to date are not lost but built upon.

2. SEAMaine will have undertaken research and developed a step-by-step roadmap on how best to stand up a seafood promotional council in Maine. This roadmap, currently being developed, will include a budget, a 3-5 year plan and other critical pieces for the successful launch of Maine's first Seafood Promotional Council.

3. Lastly, the fabric of Maine's seafood industry is changing - the fate of the lobster industry, while still strong, is uncertain as the fishery faces unprecedented challenges. There is little doubt that a strong lobster fishery will remain in Maine, but diversifying Maine's seafood industry is critical to its economic well-being.

Ensuring there is a path to growth for aquaculture and Maine's non lobster wild caught fisheries and ensuring a competitive price for all of Maine's seafood is critical. A Maine Seafood Promotional Council is the industry's best chance at developing a strong brand: this is particularly true given its ability to leverage work done by DMR and other entities to date.

Objectives: The objective is to secure funding for the founding and initial operating costs of Maine's first Seafood Promotional Council. Maine is uniquely poised to stand up a seafood promotional council at this moment; and while ultimately the promotional council will be industry funded, its initial year of operation will be far more successful if it is grant funded.

Estimated Budget Funding Request: \$300,000 Specifically, funding will cover year one of operations for Maine's Seafood Promotional Council. While more work needs to be done regarding what the funding will cover specifically, it will certainly include salary for an administrator, financial support for industry trade shows, marketing and media initiatives.
