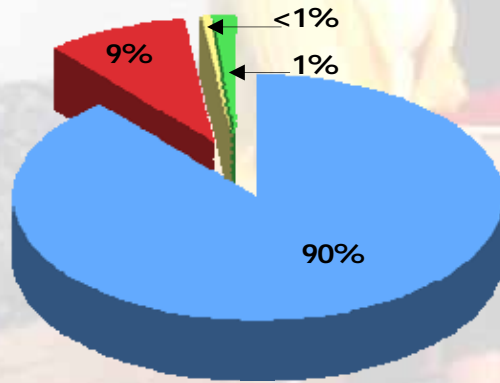




**MAINE LOBSTER PROMOTION COUNCIL
ANNUAL REPORT 2010**

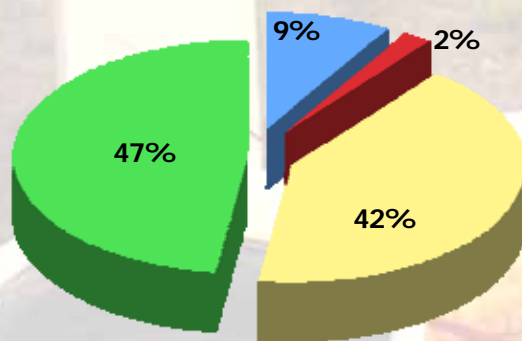
FINANCIAL STATEMENT 2010

The **Maine Lobster Promotion Council** is a public instrumentality of the State, funded primarily through assessments paid by lobster license holders. The Council is not a state agency and receives no funding through the general fund. The Council strives to maximize market impact while adhering to strict conservative fiscal policy. An annual financial audit is compiled by an independent CPA firm and is available upon request.



2010 REVENUE

| Revenue | FY 2010 | FY 2009 | Change | % Increase (decrease) |
|----------------------|-------------------|------------------|------------------|-----------------------|
| Intergovernmental | \$ 380,743 | \$ 375,809 | \$ 4,934 | 1.3% |
| Grant Income | \$ 40,000 | | \$ 40,000 | 100.0% |
| Interest Income | \$ 1,929 | \$ 2,864 | \$ (935) | (32.6%) |
| Miscellaneous | \$ 5,952 | | \$ 5,952 | 100.0% |
| TOTAL REVENUE | \$ 428,624 | \$378,673 | \$ 49,951 | 13.2% |



2010 EXPENDITURES

| Expenditures | FY 2010 | FY 2009 | Change | % Increase (decrease) |
|----------------------|-------------------|------------------|------------------|-----------------------|
| Administrative | \$ 36,822 | \$ 47,723 | \$ (10,901) | (22.8%) |
| Travel | \$ 9,317 | \$ 13,641 | \$ (4,324) | (31.7%) |
| Personnel | \$ 179,579 | \$ 166,400 | \$ 13,179 | 7.9% |
| Marketing/Promotions | \$ 206,294 | \$ 159,729 | \$ 46,565 | 29.2% |
| TOTAL | \$ 432,012 | \$387,493 | \$ 44,519 | 11.5% |

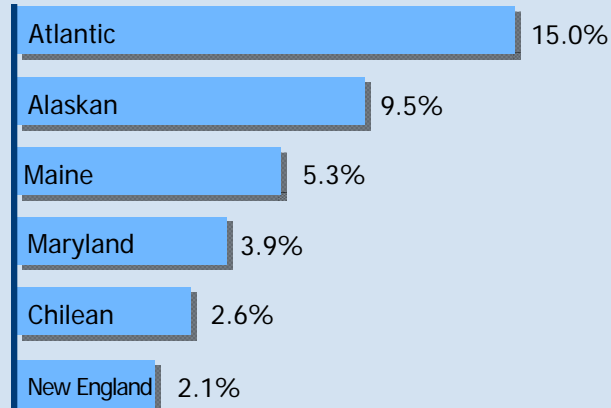
STRATEGIC MARKETING

AN INVESTMENT IN THE MAINE LOBSTER INDUSTRY WITH EXCELLENT RETURNS

Branding

One of the Maine Lobster Promotion Council's key commitments is to increase awareness of and preference for the Maine Lobster brand. Research shows that Maine Lobster is the 3rd most branded seafood item in U.S. restaurants, following the generic term 'Atlantic' at #1 and 'Alaskan' at #2. Alaska spends \$16-19 million per year on their marketing efforts to reach this position.

Seafood Branding in Restaurants



STRATEGIC MARKETING ACTIVITIES

DESIGNED TO INCREASE DEMAND FOR MAINE LOBSTER IN THE FALL SEASON

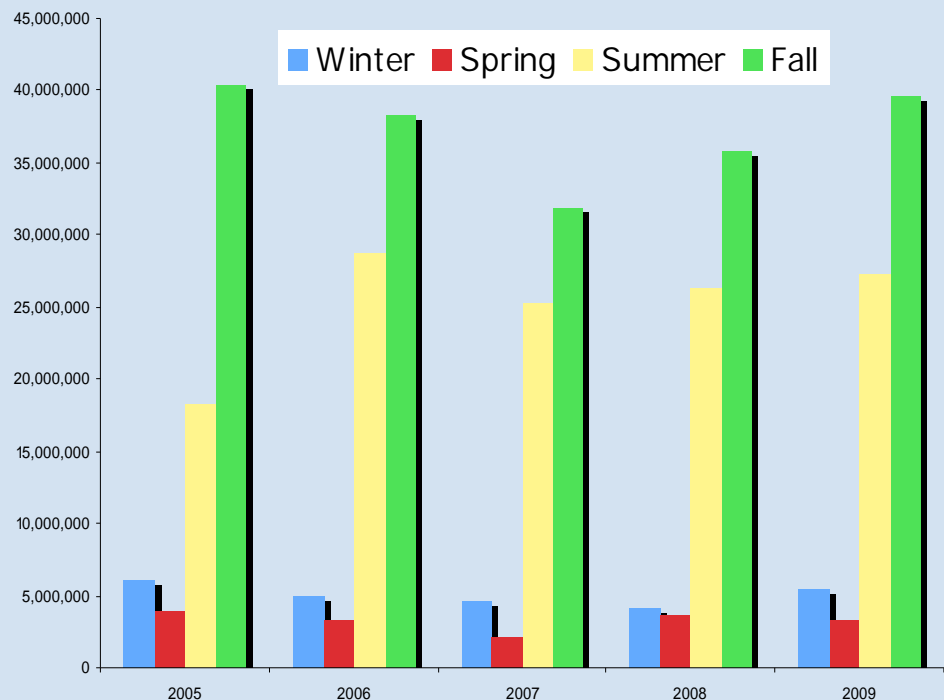
Fall Lobster Harvest

The Council identified the fall as the best marketing opportunity for Maine Lobster because of the high quality and quantity of inventory, minimal competition from other lobster fisheries and low demand creating a marketing opportunity.



The Council's three-year effort to create a fall season for lobster has resulted in increased demand and ex-vessel pricing resulting in an additional \$5 million in shore value in the fall of 2009 with an estimated increase of \$10 million in 2010.

Seasonal Landings



Maine Lobster Chef of the Year Competition



High profile event generated over \$100,000 worth of media coverage during fall season, including:

- Broadcast coverage on Maine news stations including WCSH6, WMTW ABC8, WGME13, WLBZ, WABI5, WVII ABC7, Fox 23
- Programming including 207, Good Day Maine, WCSH6 News Center Morning Report
- Newspaper features in Portland Press Herald, Kennebec Journal, Brunswick Times Record
- Web coverage including National Geographic Intelligent Traveler
- The Council produced a custom TV program promoting the industry and the competition that aired on New England Sports Network reaching tens of thousands of New England consumers.



Public Relations

Media coverage is a critical tool for the Council, providing high return on the money invested in positive media coverage. In addition to the Maine Lobster Chef of the Year competition, the Council has also generated coverage on a variety of topics with great success, including:

- Maine Lobster Month, covered in the Village Soup and other local newspapers as well as broadcast news on WCSH6, WLBZ and national press through Associated Press
- Full MaineBiz Sunday feature on the lobster industry, highlighting the fall lobster season
- Coverage of various lobster businesses in Fenceviewer, USA Today, MaineBiz.com
- Five page, full color feature on the lobster industry in Yankee magazine
- Coverage of the Chinese delegation on their Maine Lobster tour in Portland Press Herald, Bangor Daily News, MPBN and more



Independent Media Coverage

The volume of media-generated coverage of the Maine Lobster industry this fall is testimony to the success of the Council's efforts to create a fall season for Maine Lobster. Fall programming included:

- Travel Channel 'Food Wars' lobster roll wars
- MaineBiz Sunday lobster industry segment
- Envoyé Spécial on France2 Maine lobster industry segment
- Food Network 'Throwdown with Bobby Flay' and Cal Hancock



National Foodservice Promotions

The Council tracked an increasing number of restaurants around the country (DC, CA, FL, GA, LA, MA, NC, NJ, NY, PA, TX, VA, WA, etc.) running lobster promotions in the fall season, proving the multiplier effect of the Council's promotional efforts.



Chef Ambassadors Program

This program allows respected chefs to showcase Maine Lobster at worthy events, promoting good will and the Maine Lobster brand, events included:

- Chef Mackenzie Arrington, Maine Lobster Chef of the Year, Great American Seafood Cook-off in New Orleans
- Chefs Mark Gaier and Clark Frasier, Arrows Restaurant, Wolfgang Puck's Meals on Wheels in LA, Great Chefs Event in PA (childhood cancer fundraiser,) Pebble Beach Food & Wine Event in CA
- Chef Dory Ford, Monterey Bay Aquarium's Cooking for Solutions Sustainable Seafood event in CA
- Chef Wilfred Beriau, SMCC, American Culinary Federation's Northeast Culinary Educators Symposium and Northeast Regional Conference (PA)
- Chef Tracy O'Grady, Willows Restaurant, Smithsonian's 'Savoring Sustainable Seafood' event in D.C.
- Chef Stephen Corry, 555 in Portland / Taste of the Nation Share Our Strength fundraising event in ME



Events

The Council participated in industry events to showcase Maine Lobster to customers and to educate industry constituents about marketing initiatives.

- International Boston Seafood Show
- Maine Fishermen's Forum
- Lobster Industry Leadership Forum
- Lobstermen's Town Meeting
- Maine Food & Lodging Expo
- Harvest on the Harbor
- Asian Seafood Expo
- Council of State Governors meeting
- Maine Media Marketplace, NYC



New Market Opportunities

China represents a new market opportunity for Maine Lobster. The Council pursued this opportunity in 2010 through the following means:

- Industry introduction to visiting Chinese delegation
- Participation in Asian Seafood Expo in cooperation with Food Export Northeast
- Trade Mission to mainland China
- Follow-up meetings with Chinese companies resulting in new business opportunities for Maine Lobster companies



New Funding Initiatives

The Council continually evaluates and pursues opportunities to generate additional funding for marketing Maine Lobster. Executive Director Dane Somers is part of a 2-year effort to access federal funds through the National Seafood Marketing Coalition. Maine Congress offered a letter of support for this effort after Somers' appeal to the Joint Standing Committee for Marine Resources in March of 2010.



Online and Social Media



The LobsterFromMaine website remains a critical marketing tool. The site generated over 68,000 leads for Maine Lobster dealers in 2010.

In 2010, the Council also branched out into social media including Face Book and YouTube, as more consumers are turning from web pages to these outlets for information.

OUR MISSION

The Maine Lobster Promotion Council's mission is to provide professional support, guidance and leadership for members of the Maine Lobster industry in the areas of marketing, advertising, public relations and promotional efforts to assist in developing long-term market value and economic stability for the industry.

BOARD MEMBERS

HARVESTERS

Clive Farrin, Boothbay Harbor
John Jordan, Chebeague Island
Nick Lemieux, Cutler

DEALERS

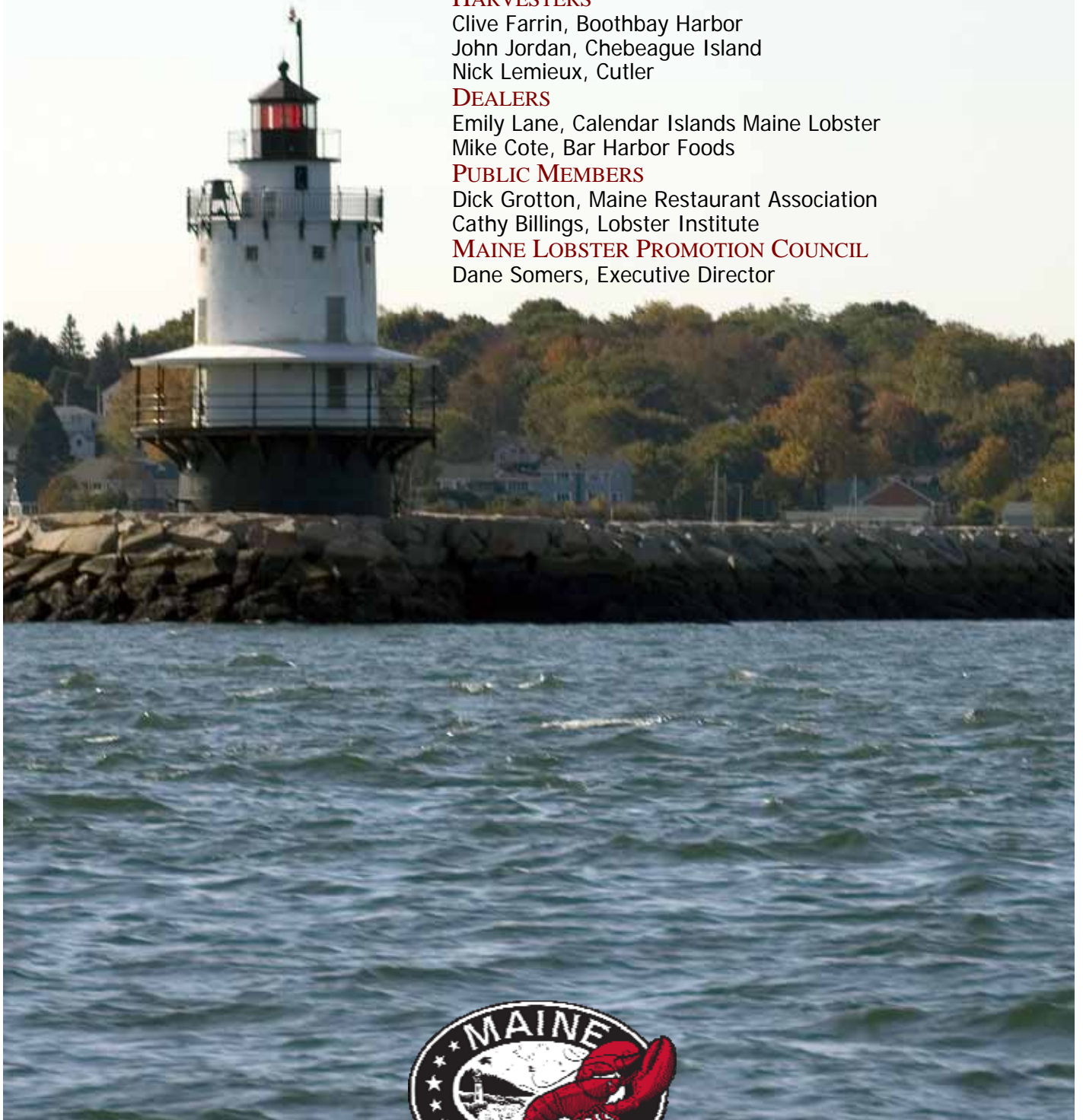
Emily Lane, Calendar Islands Maine Lobster
Mike Cote, Bar Harbor Foods

PUBLIC MEMBERS

Dick Grotton, Maine Restaurant Association
Cathy Billings, Lobster Institute

MAINE LOBSTER PROMOTION COUNCIL

Dane Somers, Executive Director



MAINE LOBSTER PROMOTION COUNCIL ♦ 2 Union St., #204 ♦ Portland, ME 04101 ♦ 207-541-9310

www.LobsterFromMaine.com