

ASMI Whitefish Committee Meeting
October 22, 2015
Egan Center, Anchorage, Alaska
Draft Minutes

Committee Members Present:

Merle Knapp, Glacier Fish Company
Tim Meixner, Alaskan Leader Fisheries
Frank O'Hara III, O'Hara Corporation
Tony Macedo, North Point Seafood
Mike Cusack, Icicle Seafoods
Torunn Halhjem, Trident Seafoods
Rasmus Soerensen, American Seafoods
Jason Anderson, Alaska Seafood Cooperative
Dean Pugh, Peter Pan Seafoods
Al Burch, Harvester, was available over teleconference

Guests:

Bob Janzing
Lance Magnuson
Sarah Johnson
Pat Shanahan
Reine Hubert
Carolin Steinheuer
James McGuirk
Hart Schwarzenbach
Dan Lesh, McDowell Group
Julie Matweyou

ASMI Staff:

Michael Kohan, Technical Director
Heather Sobel, Marketing Specialist
Susan Marks, Sustainability Officer
Megan Rider, International Program Coordinator
Becky Monagle, Finance Director

The meeting was called to order by Chairman Merle Knapp, a quorum was met.

Knapp welcomed the committee members and guests and asked them to introduce themselves to the group and review the ASMI mission statement.

Knapp asked for a motion to approve last meeting's minutes. Soerensen pointed out that there was a revised version of the minutes with changes. Knapp mentioned the changes were in blue with strike outs and additions. Knapp asked for a motion to approve the amended minutes.

Motion: Soerensen moved to approve last meeting's minutes. Halhjem seconded the motion. The minutes that were approved as amended.

The committee noted that, with a tight budget, ASMI will need help forecasting in budgets going out to 2019.

Committee members offered impressions of the market conditions and issues facing each species.

Alaska Cod:

Cod is easy to sell. The market/fisherman were worried because Norway and Russia are expanding their fishing but weather helped and kept the catch up. The only flare up was the Brazilian market because of the currency drop, from \$2.70 to \$3.95. Europe was steady. The domestic market in Portugal isn't strong. Domestically, there is good demand and good support. There is a short supply of larger fish.

Looking into next year, are fishermen going to be happy with the depressed value of fish? No, they will go on strike. It will be difficult to lock into contracts or work on promotions with a depressed market. If the supply is short and value is increasing, the message needs to match. We need to find ways to help secondary markets move the fish. This can be applied to Brazil as well. Cod competes with tilapia Cod is a better fish. Cod is a good replacement for halibut. A solution would be to come up with a new product in the domestic market and highlight the fish. The committee must keep its eyes open to help ASMI promote in the secondary market.

Rockfish:

O'Hara gave a rockfish update. This year and last year's catch vs. cost has been similar. Rockfish is caught in July and August mostly, and most, if not all of the fish, directly ships to Japan. The fish move fine and prices are stable. Things have been steady. The National Marine Fisheries Services opened up 5,000 tons in the Bering Sea POP fisheries this year. Rockfish sells itself, both internationally and domestically. The focus shouldn't be on rockfish, but rather using rockfish as a representative of all Alaska fish and tying other species in with rockfish.

Flounder/Sole:

The supply was discussed, noting that the TAC is the same. It was noted that halibut bycatch is constraining and makes it difficult to decide which species to go after. There is a need to focus on low bycatch species, focus on the "cleaner fish," like yellowfin sole. Cold temperature years decrease the halibut bycatch while warmer temperature years increase the halibut bycatch.

The industry continues to experiment with solutions. There is a 50% lower bycatch mortality when it is sorted on deck and put back into the water right away. However, this is years off from implementation in a larger scale fishery. Fishermen are unhappy with the reductions. A challenge for ASMI will be to construct good messaging, in-State and into the marketing world. These questions need to be addressed early on, which needs to happen in the next couple of years. Burch noted that there is a grant from AFDF for rapid sorting. The study is still available if folks would like to read it. Anderson responded – there are three boats out doing just that in experimental studies. In general, 2013 prices were at a 10-year low which is still continuing. This year's harvest was 50,000 MT less than last year's, due to short supply.

A recommendation for ASMI: include sole in all marketing. Add sole to the website, recipe books and market this species more.

It was noted that there is a big opportunity in China for whole round fish. Finding the next China for reprocessing is key. The committee suggested the South Korea, China, and SE Asia domestic markets, not just for reprocessing. These could be big markets, therefore, big opportunities.

Alaska pollock: It was noted that the Alaska industry has had an advantage in quality. In the next few years, as Russia improves their industry, it will create huge competition for all species. Committee member Torunn Halhjem stated that the market is still challenging, with roe volume at only 4% of total volume. Revenue is down by \$90,000,000 on pollock roe and this product desperately needs help. We need to target the “millennials.” Surimi demand and price is up. None of the tropical surimi is sustainable. Alaska pollock has a huge advantage, we need to use social media, and coordinate with the German office for promotions. GAPP has launched a hard-hitting consumer campaign.

Russian pollock is called Alaska pollock to the consumer. The only way to differentiate is a number; FAO 67 which is the location for Bering Sea pollock, FAO 61 is Russian pollock. Only Alaska pollock can show FAO 67; GAPP is pushing for this heavily.

The issue with the name change is still sitting in congress but if it passes before the first of the year the Board needs to make sure funds (in the U.S.) are set aside for both retail and foodservice programs for 2016. The biggest challenge is to focus on origin and show FAO 67 so consumers are aware. ASMI needs to talk about how to market to consumers. Stability in the surimi market is going to be short lived. We need to maintain longevity, especially in the Japanese market, as well as Europe.

Request that ASMI promote Alaska pollock brand value in Japan and Europe. Pollock size is small now; as long as it stays small, we will have to market another way; we need to look at other markets. Smaller pollock becomes an ingredient and we must provide a different type of marketing compared to most other species, which are marketed as a main dish.

A lot of Pacific whiting produces surimi but the fishing has been very poor this season. Hake surimi may have to be replaced with pollock surimi. The market needs to be kept level. There is a unique opportunity because we have sustainable surimi.

The Whitefish Buyers’ Guide:

The committee discussed the Whitefish Buyers’ Guide, noting that latest copy needs to be updated. Sole is well represented. There is no rockfish in the old version; this needs to be changed. All whitefish should be included and there should be a section in the back showing all whitefish species. There was a GAPP brochure used for the road show; it hits on all key topics about pollock. This brochure was very popular. If done digitally, there should be links in the guide which will link up to specific areas on the site. Knapp stated that there should be a subcommittee to work with the Technical Director to have a new and improved Whitefish Buyers’ Guide, something that leads the way for all the other species buyers’ guides.

Elections of the chair:

- New Chairman of Committee: Rasmus Soerensen
- New Vice-Chairman of Committee: Dean Pugh

Burch suggested Jason Chandler as his replacement on the committee as Burch is retiring.

The Committee answered the following questions:

1. What specific concerns, trends or marketing needs do you feel should be brought to the ASMI Operational Committees for them to consider?
 - a. Domestic marketing, kids need to eat more Alaska seafood. There needs to be recipes for kids using fish.

- b. Generally for all whitefish, increase business with Asia, in conjunction with other species, use them to pump up other fish and work on domestic consumption in SE Asia. More emphasis in Brazil and the U.S. for cod. Europe needs to differentiate Alaska pollock as FAO 67 to the consumer.
 - c. Need to market sustainable surimi in contrast to tropical surimi which is not sustainable.
2. Do you have any overall industry concerns that should be brought to the Committee Chairs' meeting for them to discuss and carry forward to the ASMI Board of Directors?
 - a. Funds available to research Alaska brand
 - b. Budget funds for FY16 for pollock
 - c. Be aware of the volume increases in farmed white fish
 - d. Summarize the benefits of cod and promote the benefits, and stretch to cover all whitefish
 3. What major challenges do you see ASMI facing in the coming years?
 - a. One year – Chinese processing, it is an economics issue. Education for kids/parents to eat fish. Be prepared for size changes in fish, forecast for change.
 - b. Five years – increases coming on quality of the competition from Russia.
 - c. Ten years – sustainability; continued NGO questions and attacks. Social issues will become a major issue.
 4. Is there information you would like to be receiving from ASMI that you currently are not?
 - a. It would be nice to receive information/promotions in a timely fashion
 - Should ASMI programs be communicating their efforts and promotions in a different way than they are currently?
 - Yes
 - Are you currently receiving the Marketing Updates via email? Is there additional information you would like to include in these updates?
 - Weekly email, right now it's usually monthly
 5. Are you familiar with ASMI's website and social media channels? ASMI has a consumer site, www.wildalaskaseafood.com and a corporate site, www.alaskaseafood.org as well as active accounts on Facebook, Instagram, YouTube, Pinterest and Twitter.
 - a. Have seen a great improvement in social media
 - How often do you visit the ASMI corporate website?
 - Knapp answered that he visits weekly
 - Is there information that isn't on the ASMI websites that should be?
 - Video – more clips of actual fishing
 - Are there ways we can improve the social media marketing?
 - Yes, more of it
 6. What information about the RFM program would you like to receive and in what ways do you prefer ASMI to communicate it?
 - a. Brief updates on a quarterly schedule, via email. The Committee would like to know the schedule of the email updates.

Committee member Torunn Halhjem motioned to adjourn the meeting, committee member Mike Cusack seconded. All were in favor. Whitefish Committee Meeting was adjourned at 4:05 pm.