



Wild, Natural & Sustainable®

Alaska Seafood Marketing Institute
ASMI Board Meeting
Wednesday, October 30, 2013 8:30AM
Hotel Captain Cook, Aft Deck
Anchorage, Alaska
- DRAFT MINUTES -

The meeting of the ASMI Board of Directors was called to order at 8:35AM at the Hotel Captain Cook, Aft Deck, Anchorage, Alaska.

In Attendance:

Mr. Kevin Adams, Chair
Mr. Mark R. Palmer, Vice Chair
Mr. Barry Collier
Ms. Amy Humphreys
Mr. John Garner
Mr. Jack Schultheis
Mr. Bruce Wallace
Mr. John Moller
Ms. Roberta Graham
Senator Gary Stevens
Representative Alan Austerman
Mr. Mike Cerne

Guests:

ASMI Staff
Mr. Andy Wink, McDowell Group
Ms. Cathy Munoz, Representative, Alaska State Legislature
Mr. Bob Herron, Representative, Alaska State Legislature
Mr. Randy Ericksen, Wild Salmon Center
Mr. Greg Jeffers, Gorton's Seafood, Inc.
Mr. Bill DiMento, High Liner Foods

Roll Call was taken and a quorum established.

APPROVAL OF THE AGENDA

Mr. Collier moved to adopt the agenda as presented. Mr. Wallace seconded. Mr. Collier recommended amending the agenda by switching the Budget Update at 9:30AM with the 2:30PM Certification Program Update. There being no dissention, the motion was adopted by unanimous consent.

APPROVAL OF THE MINUTES

It was moved by Mr. Wallace and seconded by Mr. Collier to approve the minutes from the last Board Meeting as presented. The motion was adopted by unanimous consent.

EXECUTIVE DIRECTOR REPORT

The Chair opened the floor to Mr. Michael Cerne, ASMI Executive Director. Mr. Cerne introduced new board members, Ms. Amy Humphreys and Mr. John Garner. Recent staff changes include

the addition of Ms. Alexa Tonkovich as International Program Director. Ms. Mary Rehfeld and Ms. Megan Rider have been promoted to International Program coordinators. Ms. Hannah Lindoff has resigned but is providing contract support to ASMI's International Marketing Program.

Mr. Cerne recognized several guests in attendance, State of Alaska Representative Herron, State of Alaska Representative Cathy Munoz, and welcomed Mr. Bill DiMento, High Liner Foods, Mr. Greg Jeffers, Gorton's Seafood, Inc., and Mr. Randy Erickson, Wild Salmon Center, and Mr. John Garner, Trident Seafoods.

Mr. Cerne announced recent staff achievements. Mr. Randy Rice, ASMI Seafood Technical Director, received a prestigious award at the International Association of Fish Inspectors at the World Seafood Congress, recognizing his career contributions for his work on the responsible fisheries management and sustainability efforts. ASMI staff members Karl Uri and Naresh Shrestha were presented with letters from the State of Alaska Department of Commerce and Economic Development, recognizing their many years of service towards building a stronger Alaskan economy and community.

Mr. Cerne presented an oral report that highlighted the ASMI activities from May to present. The McDowell Group Economic Impact Report is complete and the presentation of the findings will be presented later in the meeting. In May, ASMI E.D. attended twelve meetings and trade events in Europe. In June, ASMI presented the annual report to the North Pacific Fishery Management Council (NPFMC), which was very well received. In July, Mr. Adams invited ASMI E.D. to the Bristol Bay region where many canneries and industry were visited. A successful CAP meeting was held in August. September was filled with sustainability and certification activities with regard to Wal-Mart and the RFM program. At the Sustainability Consortium in Atlanta, efforts by industry and ASMI were made to develop criteria for seafood certification programs. In October, ASMI worked on testimony for senate hearings in addition to participating in two panel discussions at the World Seafood Congress. Future activities include the China Fish Expo, the USDA Workshop for MAP cooperators, and the Global Seafood Conference in Miami.

GAPP UPDATE

Ms. Pat Shanahan, representative from the Genuine Alaska Pollock Producers, presented an update on the current pollock trade situation. The PowerPoint presentation outlined US vs. Russian pollock quotas, distribution of US pollock products, the impact of MSC certification of Russian pollock, challenges and competition. Ms. Shanahan concluded her presentation with recommendations of how ASMI can help differentiate their products.

Suggestions are: do research to document the advantage of the Alaska brand with consumers in export markets. Help GAPP find more ways to distinguish Alaska pollock from Russian pollock in the marketplace. Don't speculate on the outcome of MSC certification for Alaska pollock. Tell the Alaska story with select customers who have shown a commitment to Alaska pollock. Coordinate with GAPP messaging program. The floor was opened to questions. Mr. Mark Palmer questioned the quality differentiation, between quality and cost of once and twice frozen. What is GAPP doing to promote equivalence for the RFM program?

PUBLIC COMMENT

Mr. Arni Thompson from the Alaska Salmon Alliance offered public comment. Mr. Thompson made statements referencing a report of the Economic Analysis of the Kenai Peninsula Fisheries, published in June 2013. The Alaska Salmon Alliance recommended that ASMI coordinate an organized chef's tour of the ports of the Kenai Peninsula, core of the Cook Inlet salmon fishery.

Mr. Thompson stated to the board that he appreciated the opportunity to meet at the All Hands meeting in Alaska. In conclusion, The Alaska Salmon Alliance wished to congratulate ASMI on their efforts to successfully spearhead the salmon industry withdrawal from MSC.

Mr. Duncan Fields, commercial fisherman from Kodiak offered public comment. Mr. Fields noted that the materials in the ASMI Resource Room did not contain any canned salmon recipes. He stated the importance of ASMI marketing canned salmon, in light of the production this year.

Julianne Curry, Harvester and Executive Director of United Fishermen of Alaska stated that the UFA board, at their semi-annual meeting, voted unanimously to support RFM Certification of the Alaska herring fishery.

ALASKA FISHERIES UPDATE

Mr. Andy Wink, from the McDowell Group presented the Alaska Fisheries Update. The McDowell group is a research based consulting group providing research to ASMI since 1998. A PowerPoint presentation highlighted the report findings. The report is available in printed format from the resource room as well as in .pdf format. The report can be downloaded from ASMI's website or by visiting the shortened url: <http://bit.ly/18MbABz> Mr. Wink concluded the report with a summary of the economic impact and key issues for Alaska seafood.

BREAK 9:42AM – 9:57PM

SEAFOOD OPPORTUNITIES IN THE PHILIPPINES

Representative Cathy Munoz and Representative Bob Herron jointly presented a report on the first trade mission to the Philippines in 2012. The trip happened after the Aklan region Vice Governor visited Alaska and met with legislators in Juneau. Upon returning to Aklan, a formal invitation to Representatives Munoz and Herron was extended. The main accomplishment was to conduct the first official delegation visit from Alaska to the Philippines. A seven-minute video illustrating the trip was shown. Representative Herron concluded the presentation and expressed that he looks forward to working with ASMI to promote seafood opportunities in the Philippines and elsewhere.

CERTIFICATION PROGRAM UPDATE AND DISCUSSION

Mr. Randy Rice, ASMI Seafood Technical Director, presented an update on the RFM Certification Program and recent developments. The PowerPoint presentation opened with a slide presented at the World Seafood Conference in Newfoundland, October 2013. The slide illustrated the evolution of sustainable seafood, the role of certification, and how governance is crucial for sustainable fisheries.

Mr. Rice elaborated on the milestones in the evolution of sustainable seafood. Starting with fishery governance, ENGO rewards, the push for conditional certifications, commoditization/branding, monopoly/control market access – undermining of governance, and choice.

OPERATIONAL COMMITTEE REPORTS

RETAIL COMMITTEE

Mr. Steve Chartier presented the Retail Marketing Committee report.

Highlights of the committee discussion and directives are included in a written report presented to the board.

Overall the committee is very confident and happy with ASMI staff performance and noted that they continue to do a great job. Mr. Chartier also wanted to thank the Alaska political delegation for their support in DC and in Alaska. The Committee was impressed with the number of visiting legislators, which highlights the advantage of holding the All Hands meeting in Alaska.

Committee Discussion:

- Retail data collection on perishables help ASMI staff be more effective in timing and presenting promo ideas.
- Pink salmon had a large run and inventory, which is the single biggest issue for this year. Staff will provide a plan by November 15th.

Recommendation to the Board:

- Committee recommends accepting proposal to review 65 retailers for \$177,250.
- Committee recommends the board commit \$300,000 to promote pink salmon in early 2014. Should more funds become available, we recommend that they be considered for this project.
- Committee recommends that Global Food Aid, Bruce Schactler be directed to pursue and attempt to enlarge any of the government entitlement purchase and investigate potential Section32 Bonus Buys.

SEAFOOD TECHNICAL COMMITTEE

Mr. Hart Schwarzenbach presented the Seafood Technical Committee report.

Highlights of the committee discussion and directives are included in a written report presented to the board.

Committee Discussion:

- 150 sockeye salmon samples were collected this summer. Nutritional info including vitamins will be sent to USDA to update their website. Plan is to continue with sampling of other species each year.
- New subcommittee formed to explore options for Listeria monocytogenes prevention in ready to eat Alaskan products. (smoked salmon, cooked crab, ikura).
- Randy to update ASMI site on new info on Fukushima radiation or literature to help calm consumers on the safety of Alaska seafood.
- Tech committee feels Randy does an excellent job. We do not foresee any big changes to the tech committee in the next year. We believe ASMI is doing a great job as a whole in promoting Alaska seafood.

Recommendation to the Board:

- Recommending a member from each species committee come to technical meeting and present their concerns directly. It is difficult to know exactly what the species committee wants sometimes from meeting minutes.
- RFM is gaining speed. New CBs coming soon. Recommending Randy use some funds that are in RFM funds to hire help.
- Would like information from species committees more often than "all hands meeting"

Mr. Wallace invited the committee chairs to make recommendations on how to better answer the specie committee questions, and receive the requests for technical committee assistance more frequently.

FOODSERVICE MARKETING COMMITTEE

Ms. Julianne Curry presented the Foodservice Marketing Committee report. Ms. Curry referred to the written report provided to the board.

Committee Discussion:

- Market research presentation of fish sandwiches which included information on fish tacos.
- Continued seafood challenges associated with category management systems that are being implemented by broadline distributors.
- Industry updates included halibut, sablefish, and pink salmon predictions for 2014 in addition to reports on crab harvest and cod market issues.

- Support for promoting pinks and cod.
- Desire for increase in ASMI and industry sustainability messaging capabilities.
- Potential for additional industry awareness of ASMI and participation at All Hands meeting.

GLOBAL SUSTAINABLE SEAFOOD INITIATIVE PANEL

Mr. Randy Ericksen, Wild Salmon Center

Mr. John Garner, Trident Seafoods

Mr. Greg Jeffers, Gorton's Seafood, Inc.

Mr. Bill DiMento, High Liner Foods

Each panel member introduced themselves and thanked ASMI for the opportunity to present information about the Global Sustainable Seafood Initiative (GSSI).

A 20-minute PowerPoint presentation accompanied the panel discussion. Copies of the GSSI newsletter and a fact sheet were made available to the board.

GSSI is a sector-wide initiative, bringing together leading seafood companies, Non-Governmental Organizations (NGOs) as well as civil society and academic stakeholders whose common vision is to build a shared global and non-competitive approach to efficiently address sustainability issues in the global seafood supply chain on a long term basis. The mission of GSSI is to deliver a common, consistent and global benchmarking tool for seafood certification and labeling programs to ensue confidence in the supply and promotion of sustainable seafood to consumers worldwide as well as promote improvement in the programs. The three key objectives are 1) creating an internationally agreed set of criteria and indicators to measure and compare the performance of seafood certification and labeling programs, in order to facilitate their implementation and use; 2) Provide an international multi-stakeholder platform for collaboration, knowledge exchange in seafood sustainability; and 3) reduce cost by eliminating redundancy and improving operational efficiency of seafood certification and labeling programs thereby increasing affordability and flexibility within the supply chain.

The GSSI governance structure, decision-making process, and rules of procedures, partners, roles and contributors were described in the presentation. The development of the benchmark tool was described in detail. The presentation concluded with a summary of general challenges and opportunities for the global benchmarking tool for the seafood certification and labeling program. The panel encouraged the meeting attendees to get involved with GSSI.

The panel opened the floor to questions. There was much discussion regarding benchmarking, sustainability, enforcement of standards and makeup of the GSSI steering board. The presentation concluded at 12:01PM.

EXECUTIVE SESSION

Executive session entered at 12:01PM.

The meeting reconvened at 2:53PM

OPERATIONAL COMMITTEE REPORTS CONTINUED

INTERNATIONAL MARKETING COMMITTEE

Mr. Jeff Stephan presented the International Marketing Committee report.

A brief summary of the actions of the international marketing committee commenced with recognition of new board members Ms. Amy Humphreys, and Mr. John Garner.

He also recognized new staff Ms. Alexa Tonkovich, International Program Director and the International Program Coordinators. The Committee appreciates the fiscal staff and everyone at ASMI for their cooperation which is critical to the program success.

Thanked Governor Parnell and the State's support of ASMI and its existence.

Thanked board member Bruce Wallace for his participation.

Committee Discussion:

- Interest from Governor and Legislature with respect to opportunities in seafood trade with the Philippines. Randy Ruaro from Governor Parnell's office informed the IMC that Governor Parnell, Representative Cathy Munoz and others have interest in knowing whether trade opportunities in Alaska Seafood may exist in the Philippines. Ambassador Quisia of the Philippines has stated that such opportunities may exist. IMC members offered several observations that addressed potential trade in Alaska Seafood with the Philippines. Sufficient knowledge upon which to determine feasibility and focus is not readily available. The need for a preliminary analysis of issues that may indicate potential and feasibility was discussed. ASMI International Program Director Alexa Tonkovich was recognized as the main contact point at ASMI.
- Reports provided from ASMI Overseas Marketing Representatives (Brazil; Central European Union/Western European Union; Southern European Union; Northern European Union; China; Japan).
- Bruce Schactler and Nina Schlossman provided update on Global Food Aid.
- Kelly Ewen of Rose Research provided a summary of the initial findings of a recent consumer survey of ASMI international markets.
- Tyson Fick provided a report of ASMI Communications activities to the IMC. Discussion of opportunities for how the IMC and International Program could cooperate to enhance the reach and impact of ASMI communications initiatives.
- Among other items to be discussed at the next IMC meeting, the IMC will include (a) follow-up discussion of the consumer and trade research that has recently been conducted by Rose Research, including a discussion of matters associated with performance measures, (b) a discussion of the prioritization of existing needs and opportunities for ASMI investments in both existing and in possible emerging and developing opportunities, and (c) a discussion of performance measures, prioritization evaluation of prioritization

Recommendation to the Board:

- Motion adopted to recommend that the ASMI Board of Directors direct staff to explore opportunities and mechanisms together with the industry to legally limit the use of the name "Alaska" to seafood which originates in Alaska Waters.
- Motion adopted to recommend that ASMI review budget priorities to support recent Alaska pink salmon production and ongoing canned salmon sales. The IMC further recommends that ASMI staff reassess approaches for marketing canned salmon and provide recommendations to the IMC and ASMI Board. (Pink salmon is listed as an agenda item for the next IMC meeting).
- Motion adopted to concur with the Halibut & Sablefish Committee recommendations regarding the identification of halibut as "less than 20 pounds" (i.e., rather than 10/20 lbs.) in ASMI materials.
- Motion to recommend that ASMI staff actively work in conjunction with NOAA (U.S. Department of Commerce) regarding the development of a response to proposed EU labeling regulations.

COMMITTEE APPOINTMENTS

The floor was opened to nominations.

Ms. Humphreys motioned, seconded by Mr. Palmer to appoint and reappoint members to the following committees:

Foodservice Marketing Committee

Reappoint Jim Kallender

Reappoint Mike Cusack

Appoint John Cannon

International Marketing Committee

Appoint Julie Yeasting

Retail Marketing Committee

Reappoint Arni Thomson

Reappoint Tom Sunderland

Appoint Lavi Ruderman

Appoint Yvonne Shay

Seafood Technical Committee

Reappoint Chip Treinen

Reappoint Jeff Backlund

Reappoint Dan Block

Reappoint Joe Frazier

Appoint Julie Decker

Halibut-Sablefish Committee

Reappoint Roland Briggs

Reappoint Mark Callahan

Reappoint Sara Chapman

Reappoint Jim Kallander

Reappoint Joe Childers

Salmon Committee

Reappoint Tom Sunderland

Reappoint Steve Chartier

Appoint Kevin Larsen

Shellfish Committee

Reappoint Frank McFarland

Appoint Jim Carroll

Appoint Richard Tremaine

Whitefish Committee

Reappoint Mike Cusack

Appoint Jason Anderson

Appoint Dean Pugh

Appoint Tim Meixner

Customer Advisory Panel

Appoint David Long

2nd by Mr. Palmer. Motion carried unanimously.

BYLAWS

Mr. Collier made a motion to accept the Bylaw changes, regarding ASMI Committees, that were advertised to the public and Board of Directors. Mr. Schultheis seconded. Motion carried unanimously.

BUDGET UPDATE

Mr. Naresh Shrestha, ASMI Administrative and Fiscal Officer, presented the FY13 Updates, ended June 30, 2013. A PowerPoint presentation was made to the group, and a copy of the printed report was distributed.

Mr. Palmer asked for clarification regarding the FY13 and FY14 Budgets, and the State of Alaska FY14 Legislative Appropriation. Of note, it is the intent of the legislature that ASMI limit expenditure of the appropriation in to 80 percent of the program receipts collected for the fiscal year ending June 30, 2013.

Mr. Collier commented that it is important to promote marketing and sales of pink salmon promotions. He asked clearly how many funds could reasonably be dedicated to pink salmon promotion. A number of \$2 million was offered as a reasonable amount to dedicate to pink salmon promotions. Mr. John Garner interjected that another emergency situation could arise and funds should be set aside for emergency.

OLD BUSINESS

No old business was presented to the board.

NEW BUSINESS

Mr. Palmer commented on the committee meeting reports. It appeared that immediate assistance is needed to promote pink salmon, both fresh and frozen. It may be important to allocate part of the budget this year, to move the existing pack. Relief for canned salmon, in particular, is necessary. **Mr. Garner made a motion that ASMI staff work with committees to develop a plan for expenditures not to exceed 1.5 million dollars for the marketing support of frozen and canned pink salmon. Report to be provided by the end of November. Seconded by Mr. Collier. Motion carried unanimously.**

Mr. Cerne raised two issues that may warrant board action. The board discussed the industry recommendation for certification of the herring fishery and activities in the Philippines. It was determined that these issues do not require board action at this time.

Mr. Garner made a motion to direct staff to support industry efforts to distinguish Alaska pollock from Russian pollock in the marketplace. Motion was seconded by Mr. Collier. The Board directed staff to engage with the private sector and to move forward on this issue. Motion carried unanimously.

Mr. Garner made a motion to direct ASMI Global Food Aid Director, Bruce Schactler to pursue and attempt to enlarge any of the government entitlement purchase and investigate potential Section 32 Bonus Buys. Seconded by Mr. Wallace. Motion carried unanimously.

Mr. John Garner noted some committee recommendations regarding EU labeling regulations. A motion was not necessary at this time.

Staff member Mr. Randy Rice was questioned regarding fisheries certification, specifically herring. The cost of certifying a specie is difficult to estimate due to the variables. A timeline and board directive would spawn an RFP process, and initiate the work within FY14. In the past, ASMI has used specific criteria to determine whether a fishery should be certified. The group discussed the potential for an assessment program at length. Mindful that some herring stocks are depressed and there are several different management areas.

Mr. Garner made a motion to direct staff to prepare a report regarding certification of herring fisheries. Seconded by Mr. Wallace. Motion carried unanimously.

Chair Adams welcomed the new board members and opened the floor to suggestions for the next meeting date and location. It was agreed to set the 2-day meeting date for sometime during the week of April 21, 2014 in Juneau, Alaska.

CAP Meeting Date and Location

The CAP meeting is scheduled for July 1-2, 2014 in King Salmon, Alaska.

Mr. Austerman commented that he was pleased to attend the ASMI All Hands meeting in Alaska. He strongly encouraged the board to hold all future meetings in Alaska.

ADJOURN

There being no further business, Mr. Garner made a motion to adjourn. Mr. Moller seconded. Meeting adjourned at 4:37pm.

Respectfully Submitted,

Gretchen Sagan