



Joint Retail and Foodservice Marketing Committee Meeting October 28, 2013

A joint meeting of ASMI's Foodservice and Retail Marketing Committees was held on October 28, 2013 in Anchorage, Alaska at the Captain Cook Hotel.

Present:

Committee Members

Jennifer Castle
Mark Callahan
Julianne Curry
Peggy Parker
Mike Cusack
Jim Kallander
Randy Eronymous
Jerry Eagle
Bob Barnett
Steve Chartier
Matt Christenson
Ron Jolin
Scott Blake
Mark Gleason
Arni Thomson
Tom Sunderland
Thea Thomas

ASMI Staff

Larry Andrews
Lilani DeLateur
Linda Driscoll
Tyson Fick
Claudia Hogue
Karl Johan Uri

Guests

Senator Mark Begish
Representative Geran Tarr
Steve Schiedermayer, S&A
Kate Consenstein, S&A
Amy Austin, S&A
Jim Stone

Absent:

Rasmus Soerensen

I. CALL TO ORDER/ROLL CALL/MINUTES

Steve Chartier, Chairman, called the meeting to order.

Public Comment: Senator Mark Begich joined the meeting and spoke about the recent hearing on seafood products and certification. Seven Senators attended the hearing, showing strong interest in American fisheries. He has also just finished 5 or 6 hearings on the Magnuson-Stevens Reauthorization Act in Alaska; national hearings on it will begin soon. Julianne Curry asked how to help the perception of the fishing industry. Senator Begich answered that the farm industry has a strong lobby and is hundreds of years ahead of us in telling their story. He suggested building a coalition of seafood industry related businesses: shipwrights, retailers, distributors, electronics, fuel suppliers, etc. If there is a coalition he will create opportunities to get the word out. Jim Kallander asked about the two open positions on the IPHC. Peggy Parker pointed out that the Alaska representative has decided not to have his term extended, that the White House has not announced that yet and won't until just before the January IPHC meeting. All of the commissioners have

agreed to go forward except for one, the one from Alaska. Parker stated that a stopgap appointment is needed. There was no further public comment.

Chartier asked for approval of the agenda. Kallander spoke about improving the perception of the commercial fishing industry, and asked that it be added to the agenda, time permitting. Julianne Curry moved that the agenda be approved. The motion was 2nd by Ron Jolin and passed.

Minutes from the previous meeting, held May 2, 2013, were reviewed. Jennifer Castle moved that the minutes be approved as submitted. The motion was seconded by Peggy Parker and passed.

Chartier asked that the Committee limit their discussion to the things that they can have an impact on. Chartier also reminded the committee about antitrust laws: they can't talk about specific pricing, specific territories or division of territories, exclusion of specific customers, etc.

II. INDUSTRY UPDATE

Andy Wink, of the McDowell Group, gave a harvest update:

- Pink salmon harvest is at an all time high – up 114% over the last 2 year period.
Canned salmon: large pack of unsold inventory
- Russian Pollock has gained MSC certification. IFQ pollock coming out of Russia has increased
- More cod; quota not expected to rise as much moving forward
- Halibut suffering from high prices; has lost space in seafood cases and on menus as a result
- Coho salmon has increased in price this year despite a large harvest
- The big issue for Sockeye salmon is ensuring it doesn't go the way of halibut, suffering from high pricing and high demand. Things overall are very good for Sockeye salmon right now, looking to the future is important though
- Farmed prices are up for salmon
- Crab: TAC is 8.6 million pounds for Red king crab, 10% increase over LY. Stable TAC's for Golden king crab. \$3-\$4 a pound difference between Red and Golden king crab
- Russian IUU catch is up for 2013. A good way to bell weather that is to see what goes into Japan. Russian pirate fishing looks to have increased again in 2013, not by a wide margin, but after bottoming out in 2011
- Imports of Chilean salmon are way up for the United States. Imports of tilapia are down. Imports of frozen Pacific salmon are up quite a bit but flat as far as value goes. Primarily Chinese product, or Russian, Alaska product coming back out of China.
- Economic report:
 - Alaska accounts for over half of US fisheries production. There is opportunity in US marketplace. We export about 2/3 of our Alaska seafood.
 - 165,000 US jobs
 - For every job directly related to the Alaska fishing industry, there is 1.2 jobs created elsewhere in the US
 - At least three residents from every state directly participated in Alaska's fisheries
- Pink salmon opportunity for domestic retailers
- Keta salmon has an 86% increase in domestic retail and value is up 70%
- The Committee expressed an interest in identification of smoked salmon imports. Tom Sunderland reported that most are farmed; they don't break out and identify by species for smoked salmon
- Chartier stated that the exchange rate is impacting exports. The North American market is the place to be right now

III. COMMITTEE INDUSTRY UPDATE

- We have a pink problem; we need to explore different product forms and expand markets
- Parker urged the Committee to leave the budget for halibut at current levels
- Mark Gleason asked for differentiation for Bairdi crab – does ASMI have any literature that differentiates Bairdi crab? Jim Stone presented a piece he uses that helps clarify the difference. Sunderland says there's a need for a stable supply to get item in at foodservice. Stone suggested that Bairdi be positioned as rare; the biomass will continue to cycle up and down in supply. Parker asked if it could be managed for a plateau. Mr. Chartier asked if there was a change in legal size limit allowed. Mr. Stone said it was 6-inches and now 5-inches. Pushing the distinct flavor differences is the key. Discussion continued and there was concern about limited supply.

Action items: ASMI staff was directed to differentiate Bairdi crab from Opilio crab. Species emphasis: Pink salmon, halibut and Bairdi crab.

IV. COMMUNICATIONS PROGRAM – Tyson Fick

Tyson Fick explained that at the last board meeting there was a question as to whether or not there should be a Communications Committee. It was decided that to help guide the direction of ASMI's communications program, there would be an agenda item added to each of the operational and species committees.

Chartier asked if the communications program gets information to the Alaska legislature, i.e. helping Walmart, Sodexo, etc. make the right decisions; Fick answered yes.

Parker asked about handling inquiries regarding radiation, global warming, etc. Yes, the program will handle that, unless it is a very technical question/issue. If so, it is referred to Randy Rice.

Social Media: Facebook fans have gone up to approximately 150,000. They get inquiries whenever they post on Facebook about radiation, etc. Fick stated that they are pulled in a lot of directions and that because there is so much traffic with so many followers it takes constant monitoring with answering people's questions and everyone being able to see the responses around the clock. Twitter is a better way to listen to what is going on and put together a newsfeed; Facebook is great for a visual reference and where the focus is. Fick stated that a lot more could be done with more resources.

The committee asked whether the program's efforts are in Alaska or the rest of the United States. Fick replied that they are 60% out of state, 40% in state. The in state communications program entails legislative efforts, fishermen and community outreach, etc.

Castle suggested getting a PR firm in Alaska to help focus on the social media efforts. Mike Cusack spoke about using Edelman to capture comments and flow information back to the appropriate person. Arni Thomson asked about S&A; Fick replied that S&A is being utilized to help with social media content such as posting and monitoring while Mr. Fick is traveling, as well as at in state events where there is a conflict with his schedule.

Curry stated that the communications program does a great job and that she would support more staff and resources for the program. Parker would like to see a proposal about PR and what the communications program would like to do and what they need. Fick stated that ASMI needs a webmaster, especially since we are shifting towards more and more online digital efforts. Larry Andrews suggested that they could add a contractor, versus a PCN (staff position).

Parker asked that the committee task Fick with a rough draft proposal for next year, detailing what isn't being addressed and what additional funding might be needed. Randy Eronymous asked that the proposal include a

national PR program and be integrated. Kallander asked that the proposal be ready for a joint meeting in May; Curry stated that May is too far away.

Action item: Fick was asked to submit a proposal to the Joint Committee by January 6th, 2014.

V. CONSUMER PR PROGRAM

Kate Consenstein, of Schiedermayer & Associates, briefed the Joint Committee on the Consumer PR program.

- The goal of the Consumer PR Program is to get earned media (rather than paid media which is advertising) and organic responses.
- FY13 had a spike because of the Top Chef investment, which cost roughly \$6 million. There was an increase in audience impressions despite the Top Chef efforts, mainly due to online efforts which reach a broader audience.
- The Media Relations Program is the heart and soul of the Consumer PR Program and firmly believes in sending product to key influencers, such as broadcast media. Media Relations also does research, pitching, monitoring of media hits and media outreach (such as with Domino's and their halibut commercial) and putting together responses that the programs can use if so desired. Quite a bit of Alaska seafood was sent out as product distribution in the past year.
- Consenstein spoke about the variety of 4000 different pitches that were sent out. That they were all different kinds of pitches with different angles.
- Consenstein talked about media hits and that "Alaska" actually has to be called out. They consider it a hit if it is something that they can work with.
- Consenstein talked about blogger campaigns. There are online targets to access these bloggers. They are usually are more amenable to our messaging and reference our website regularly. This is done in response to industry needs, surplus, etc.
- Consumer PR plays a small role in social media in that they develop the content and the communications program decides when to deploy that content.
- ASCA (Alaska Seafood Chef Alliance) helps promote our message of Wild, Sustainable Alaska Seafood.
- Consumer PR had a huge partnership with Top Chef, along with a culinary retreat with an increase in attendees and an increase in ASCA Chefs as well.
- Consenstein detailed the Kikkan Randall sponsorship: Kikkan wears the Alaska Seafood logo on her headgear. There will be a lot of media publicity focusing on the upcoming Olympics.

VI. CONSUMER ADVERTISING PROGRAM – Amy Austin

Amy Austin, of Schiedermayer & Associates, detailed the Consumer Advertising Program efforts and results.

- Austin detailed the development of the friendly Alaska grizzly Bear used in the *Invite Wild to Dinner* campaign in print, online and mobile efforts from February through September 2013.
- The campaign was measured by three key components: impressions, click-through rates and engagement.
- Austin presented a proposed Consumer Advertising Plan for FY2014.

Thea Thomas asked for information on how Search Engine Marketing (SEM) is placed. Austin answered that it is a dynamic bidding process, that there is bidding on key words which is a constant process. A variety of keywords are purchased within a specific search engine (TY, the focus was Google) and when your purchased key words are typed in, your result appears at the top of the search list.

VII. NEW FISHERMEN MESSAGING

Kallander spoke to the need to paint commercial fishermen in a positive light and that there is public ownership of the resource. Parker stated that this is a clarifying message and is different than any other message about fishing and resource messaging. Sunderland asked if this was an in-state issue; Kallander

replied that it is primarily an in-state issue but that it will resonate well throughout the country. Thomas stated that it could be flipped and work against us: the sport fishing community could say that commercial harvesters take 90% of a public resource. Curry stated that it could be supported if it was presented as non-confrontational. Thomson agreed it is a huge issue in-state. The consensus was that this matter be assigned to the Communications Program.

VIII. EXECUTIVE SESSION & ADJOURN

The meeting went into executive session and then reconvened.

Peggy Parker moved to approve \$1.8 million for a FY2014 Consumer Advertising Program with changes made by ASMI staff due to the Joint Committee by January 6, 2014. The motion was seconded by Jim Kallander, and passed.

The meeting was then adjourned.

###