

**To: ASMI Board of Directors**

**Date: May 2017**

**From: Susan Marks**

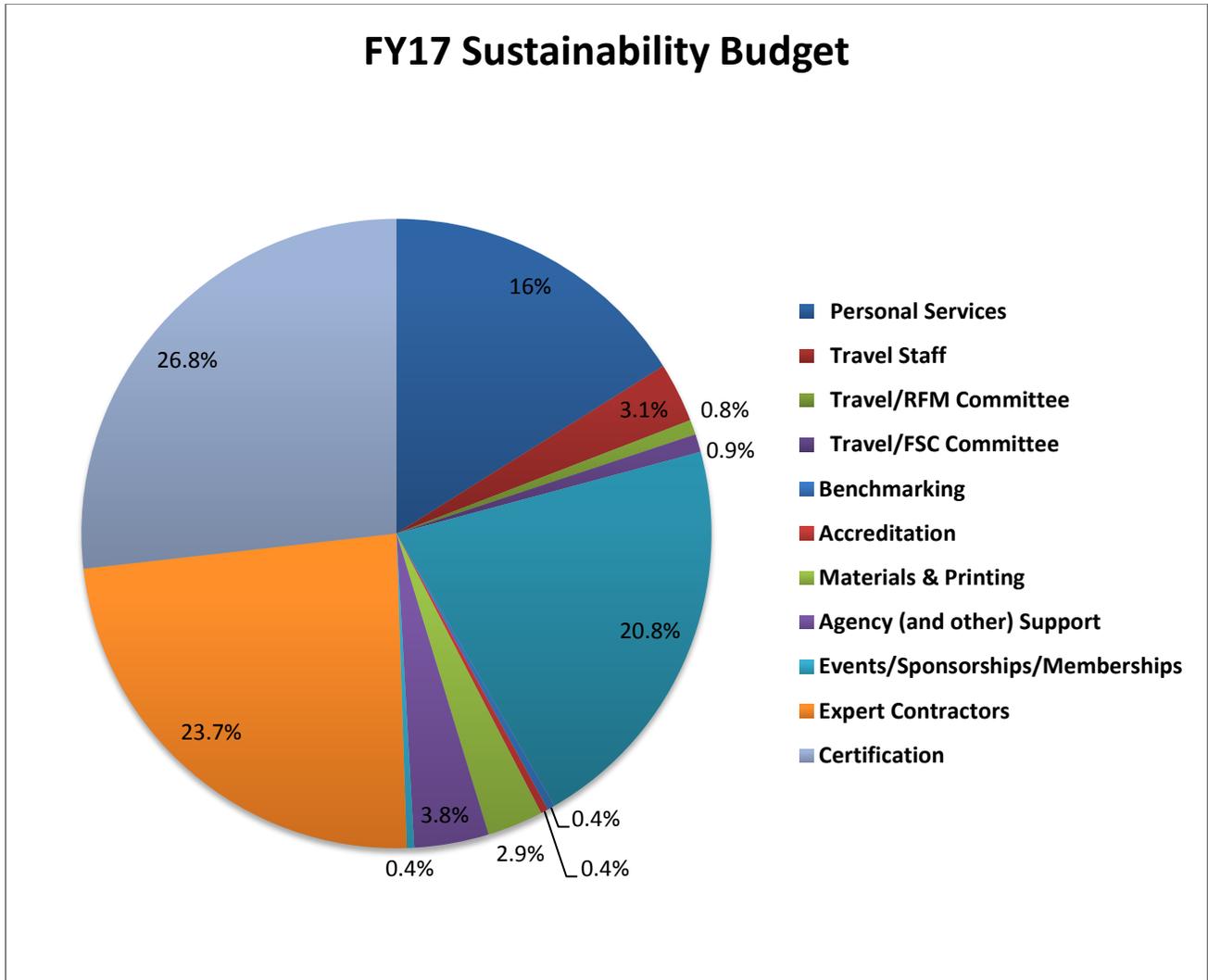
**RE: Proposed FY 2018 Sustainability Program Budget**

The following is a summary of the proposed Sustainability Program budget for FY18.

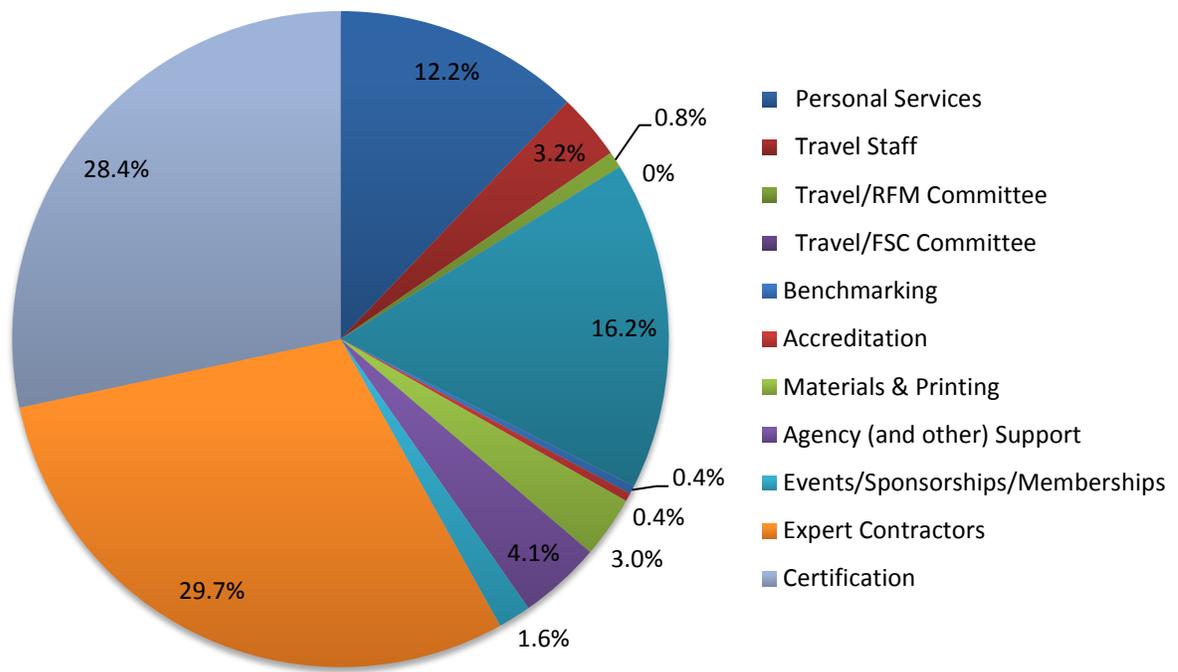
**Comparison of FY 17 and FY 18 Sustainability Program Budgets**

<b>RFM Program</b>	<b>FY17 Budget</b>	<b>FY18 Proposed</b>
Program Operations		
Personal Services	\$210,000	\$150,000
Travel Staff	\$40,000	\$40,000
Travel/RFM Committee	\$10,000	\$10,000
Travel/FSC Committee	\$12,000	\$00
	\$272,000	\$200,000
Benchmarking	\$4,500	\$4,500
Accreditation	\$5,000	\$5,000
Materials & Printing	\$37,500	\$37,500
Agency ( <i>PR, Communications, Messaging</i> )	\$50,000	\$50,000
Events/Sponsorships/Memberships	\$5,000	\$20,000
Expert Contractors	\$310,000	\$367,000
Certification	\$350,000	\$350,000
<b>TOTALS</b>	<b>\$1,034,000</b>	<b>\$1,034,000</b>

## Sustainability Program Budget Summary and Activity Overview



### FY18 Sustainability Proposed Budget



## FY18 Budget Information

### Program Operations

	FY 17 Original Budget	FY18 Proposed
Personal Services	\$210,000	\$150,000
Travel – Staff	\$40,000	\$40,000
Travel – RFM Committee	\$10,000	\$10,000
Travel – FSC	\$12,000	\$00
	\$272,000	\$200,000

Staff travel and RFM Committee travel have remained the same, with reductions Personal Services and Fisheries Standard Committee (FSC) travel.

Based on the completion of the RFM Fisheries Standard Version 2.0, the FSC's work will decrease greatly in FY18 and any required work of this committee can be done via email and/or webinar. Personal Services has decreased by \$60K, and this amount was originally budgeted for an administrative program coordinator. This position was not filled and this money has been reallocated to the 'Expert Contractor' and 'Events/Sponsorships/Memberships' lines of the budget.

### Benchmarking

FY 17 Original Budget	FY18 Proposed
\$4,500	\$4,500

This section is specific to the RFM Program. The RFM Program achieved GSSI recognition in July 2016. This is valid for 3 years; however, there is an annual requirement for a Program review and an annual audit with GSSI. We have not been provided specifics on what sort of cost may be associated with this so the recommendation is to leave \$5K in this category.

**Accreditation**

FY 17 Original Budget	FY18 Proposed
\$5,000	\$5,000

This section is specific to the RFM Program. The Program approved a new Fishery Certification Body – DNV Global, in FY16, and they have been awarded contracts to perform the Pollock, Flatfish and Pacific Cod fisheries audits. DNV was required to expand their ISO 17065 scope with their Accreditation Body *American National Standards Institute* (ANSI) and there was a cost to do this. DNV has passed approximately \$20K of these costs to the fishery clients.

It is important to keep \$5K in this category for FY18 to account for additional unforeseen costs, as well as additional costs associated with the accreditation of new Fisheries Standard Version 2.0.

**Materials & Printing**

FY 17 Original Budget	FY18 Proposed
\$37,500	\$37,500

This section represents costs for the overall Sustainability Program; including RFM. The Sustainability materials date back to 2012, and some are as old as 2008. We were not able to get to this work in FY17 and there is an urgent need to refresh, update and/or create new Sustainability materials. Efforts are being made to identify as much as we can in FY17, and work has already started on message evolution and refinement; however, graphic design and printing of new materials, will not take place until FY18.

\* *This category is also used for shipping costs.*

**Agency Support** (PR, Communications, Messaging)

FY 17 Original Budget	FY18 Proposed
\$50,000	\$50,000

This represents support for the overall Sustainability Program. The contract ASMI currently has with Edelman does not include any Sustainability and/or RFM work. In FY17, this money was used for Edelman and other smaller contracts (e.g. branding, design, etc). As we move into FY18, ASMI continues to explore how we can improve integration of messaging across programs. As noted previously, our Sustainability pieces are outdated and the future of our sustainability messaging in this ever-changing landscape should be revisited. The Sustainability Program and ASMI can benefit from outside expertise in these areas.

**Events/Sponsorships/Memberships**

FY 17 Original Budget	FY18 Proposed
\$5,000	\$20,000

I propose an increase (a reallocation from other line items) in this section of the budget. In FY17 the Program was asked to contribute more to the Boston Seafood Show, where RFM certification now has prominently featured messaging in the new re-designed booth. The Sustainability Program also contributed to the SeaWeb Platinum Sponsorship for the Global Sustainability Summit that will be held in Seattle in June 2017. This sponsorship will focus on four key messages around sustainability.

As Sustainability continues to be part of the key messaging for Alaska Seafood, more events and sponsorship opportunities will be available for consideration. All must be vetted for the best ROI.

**Expert Contractors**

FY 17 Original Budget	FY18 Proposed
\$310,000	\$367,000

The Expert Consultants make up a combination of talents in Technical, Fisheries, Accreditation and Certification for the Sustainability Program, which includes RFM. In FY17, Sustainability also shared a marketing/communications consultant with the Domestic Program, which accounted for approximately 10 hours/week, and we recommend continued use of this resource for FY18.

FY18 includes an increase of \$57K. \$57K was transferred from Personal Services. This was originally allocated for administrative program support; however, this support will now come via a contractor.

There are some 'TBD's' in this category for FY18. RS Standards, which included individuals with expertise in accreditation, certification, chain of custody, auditing and Fisheries Standards, will no longer be with the Program after June 30, 2017. We will be able to absorb some work, some we will need to identify a new resource for, and it has yet to be determined whom this new resource will be.

**Certification**

FY 17 Original Budget	FY18 Proposed
\$350,000	\$350,000

Fishery certification costs are 'estimated' to average \$350,000 per year for the seven fisheries currently certified under the RFM Standard. The cost estimates can fluctuate from a low of \$260,000 to a high of \$450,000 depending on which fisheries are going through full re-certification vs. an annual surveillance audit and when the costs hit the budget.

In FY17 the Alaska RFM Program added BSAI/GOA Tanner Crab as a new fishery to the existing Crab certificate, and AI Golden King Crab is currently being assessed against the new Data Deficient Fisheries Framework. These changes will result in additional certification costs; however, we still feel the budgeted amount of \$350K is sufficient.

## **Additional Considerations**

During last year's Board meeting, the RFM Team anticipated that during FY17 the Program would complete the 'development' phase. For the most part, we have achieved this by gaining our GSSI recognition and now with the completion of the Fisheries Standard Version 2.0.

There remains a dedication toward continuous improvement for the Program, hence the current work to re-write the QMS; however, it is accurate to say that in FY18 the RFM Program will fully transition from a *development* phase to a *maintenance & outreach* phase.

Certain work with the RFM Program will be 'fixed' or defined by having met and continuing to maintain GSSI recognition. However, there are variables with the Program that could affect the sections of the Sustainability Program Budget pertaining to RFM and to resources for the program. These are flagged below for the Board. In addition, the future of where the RFM Program will reside remains unclear and this makes strategic planning more challenging along with outreach and communications efforts.

### Potential Budget / Resource impacts:

- RFM Fisheries Standard Version 2.0 must go through formal accreditation processes with multiple accreditation boards
- The release of the Fisheries Standard Version 2.0 will require submission to Global Sustainable Seafood Initiative (GSSI) to indicate which sections of the formal GSSI Application Section D have changed
- The update to the current RFM Quality Management System (QMS) will require submission to GSSI to indicate which sections of the formal GSSI Application Sections A & B have changed
- The Program saw 35+ companies drop their Chain of Custody in FY17
- Related to the above point, harmonization with MSC Chain of Custody to lessen 'audit fatigue' among supply chain was flagged as important
- Changes in Fishery Client Groups and/or Certification Bodies
- Outreach & Communications