



**Customer Advisory Panel Meeting  
Tuesday August 7, 2019  
9:00 a.m. Alaska Time**

Harrigan Centennial Hall, Raven Room  
330 Harbor Dr.  
Sitka, AK 99835

Teleconference Information:  
Call in number: 800-315-6338  
Alternate Call in number: +1-913-904-9376  
Access Code: 37152

*Draft Agenda*

**A. Call to Order**

Vice Chair calls meeting to order at 9am

**B. Roll Call**

Board Present:

Vice Chair Allen Kimball

Mark Palmer

Tom Enlow

Tomi Marsh

Mike Erickson

John Moller

CAP Present:

Mike Hacaga

Keith Brunell

Chris Follari

Satoshi Matsumoto

Guy Pizzuti

Dan Aherne

Linming Gao

Jens Peter Klausen

Staff:

Jeremy Woodrow

Hannah Lindoff

Michael Kohan

Megan Rider

Ashley Heimbigner

Becky Monagle

Sara Truitt

Guests:

Tom Sunderland

Tonja Pratt

Richard Riggs

Keiko Sasaki

Susan Marks

**C. Approval of Agenda**

Vice Chair Kimball asks for a motion to approve the agenda as presented.

Enlow moves to approve the agenda. Moller seconds. The motion passes unanimously.

**D. Welcome by ASMI Chairman**

Vice Chair Kimball welcomes everyone present to the meeting. He references the CAP Charter, reviewing purposes of the CAP, purposes and goals of this meeting. Expresses appreciation for the time taken by CAP members to contribute their knowledge and expertise.

## **E. Public Comment**

Vice Chairman Kimball asks for public comment.

Former board member Richard Riggs thanks everyone for coming to his hometown of Sitka. Thanks everyone for their contributions to ASMI and notes ASMI's overall impact on the industry.

## **I. Round-table introductions**

Vice Chairman Kimball invites meeting moderator Tom Sunderland to speak.

Sunderland welcomes everyone to the meeting and asks for round table introductions. Everyone present introduces themselves and their place of employment/connections to ASMI.

## **II. Intro of CAP Issues, Meeting Format**

Sunderland gives over view of today's meeting format and reviews the day's schedule, including breakout sessions and anticipated next steps during the post-meeting follow up period.

Executive Director Woodrow reviews Anti-Trust Laws, disclaimer to remove oneself from the company or region they represent and work toward increasing the value of the Alaska Seafood. Woodrow ASMI's various assets available to CAP members for their use.

Sunderland Introduces Program Directors Hannah Lindoff and Megan Rider

Lindoff: Reviews the goal of the presentation to talk to CAP about overarching messaging used by International and Domestic. Spends about 75% of the budget on the two programs. Share direction, trends being noticed, and address how ASMI measures success in promotional efforts. Presentations are designed to demonstrate successful promotions but to then ask what would be a success in their eyes and keep them engaged in working with ASMI.

Rider: Presentation on Domestic Messaging: Natural, Quality, Taste, Wild. Nutrition, Wellness and Functional Nutrition; Functional Nutritional trend.

Lindoff: Sustainability theme in marketing translates to access, opens doors, and encouragement of brand alignment. Sustainability has an ambiguous definition but it provides opportunity to tell stories that fit within the 5 tenants of sustainability, fishery management, social responsibilities, certification, full utilization, families in AK Communities.

Talks about the longevity of the program, gives example of Japan program being a 25-year program that is built upon year after year. Reviews goal of capitalizing on the Tokyo Olympics as a moment to grab global attention for Alaska Seafood. Reviews loss of 20% of work pork supply, and how the international program is thinking how to strategically respond to this shortage to continue promoting AK seafood.

Lindoff and Rider review success stories for their programs. Reviews French grocery store partner, reviews investment of \$15,000, which contributed to moving 63 metric tons of AK pollock. Reviews messaging, center of the plate, tagline, advertisements had been in magazines would've cost \$80-\$90 thousand dollars. Reviews Christmas promotion for culturally relevant pink salmon, focus on promos geared towards children to encourage generationally association with pink salmon. Reviews upscale promotions in Italy. Notes this led to year round menu sales of frozen salmon with retailer.

Rider: Reviews promotions around frozen fresh product. Reviews Save-On Foods Jan 2018 in 162 stores in Western Canada, featuring refreshed sockeye salmon. Store created a "festival" themed Alaska Seafood. Very appealing to children. Reviews Costco promotions, December 2018 – 2019 in 400 club stores in the US. 2.2 million pounds were sold. Used our labels in their stores and over a million stickers on their product to call out Alaska Seafood on the products.

Lindoff : Where is success in your mind, how can we continue a promotion with you and encourage promotions of Alaska seafood with your companies?

Sunderland: Reviews upcoming open discussion. Presents key questions for the CAP members from ASMI:

What is the core value of ASMI to you as the CAP member?

What drives seafood consumption overall? What sells “Alaska”?

Reviews ASMI is not a regulatory agency, not an enforcement group, has statutory limitations on its ability to lobby, and does not sell fish.

Palmer: notes promotional frequency is a good measurement indicator. Finding a good partner and engaging partners, how to build relationships and promotions.

Klausen: Notes importance of quality; a huge topic in Europe currently is sustainability, health messaging, especially latest research findings that explain how something is healthy. Encourages detailed messaging. Comments on a growing middle class in other regions outside the US and Europe and encourages keeping an eye on those emerging middle class markets, in India for example. Notes historical poor reputation of pollock in existing markets that does not exist in emerging markets.

Kohan: Asks CAP for solutions to pollock in the supply chain, difficult to ensure the end message to the consumer is true, accurate

Klausen: Notes pollock fillets, industry focus on producing high quality fillets. A lot of the pollock that comes into market as fillets is Russian H&G. Is it possible to produce more? To move quality product into the markets that desire it.

Kohan, poses question to Pizzuti for feedback how to move needle to have a line item incentive particularly on fresh frozen?

Pizzuti: notes that during his fresh sockeye promotions, he received 150 complaints about parasites. Understands the messaging of wild, but the experience turns off those 150 customers. Is there a rigor that seafood specialists can go through to ensure the final product does not contain parasites? When you do a promotion like that, to have that as a result, it becomes an issue to do that sort of promotion again. Responds to Marks point about building relationships, notes Publix has 13-14 Alaska products in the stores. Reviews summer promos of salmon. Feels the chain is fully utilizing promotions from 15 years ago when Publix started on Sockeye. Retailer is not going to move away from their suppliers they’ve built relationships. Look at who are the suppliers and build the relationship there. When the supplier goes to the retailer with those items, the retailer is more apt to listen.

Aherne: Suggestion that ASMI should consider its position from who it is allowing to endorse if they are manipulating product with added phosphates, etc. I think it’s about the production of materials, that fundamentally the insight around nutritional messages, claims that can stand up to scrutiny – those areas have real value. If the goal is to drive more value and sales, he views that money should go to companies that demonstrate year over year that they promote Alaska Seafood. ASMI should support those businesses who are supporting their product. And from there allocate the marketing budget. Would look objectively at where money goes and ask is that money growing sales year over year? Are the businesses spending ASMI money doing more business year over year on Alaska?

Palmer remarks matching funds could be one way to engage customers. Questions expanding new markets while also keeping money with existing, successful partners year over year.

Pizzuti: notes balance of supporting existing partners with what they need while going after new partners. Allen: where's the best opportunity for the money to be spent? The answer changes depending on market. If we continue to see significant growth in consumption or intro of new species through retailers that are already of the scope and size then that should also be part of the focus, but ASMI's responsibility should be evaluating what the opportunities are. We need to be looking at new growth. What are the best opportunities and how do we prioritize them? And what is the customer point of view and trend aspect?

Follari: Notes We would tell the story of the 5 tenants. They've invested in menu's promoting the Alaska Seafood Label.

Gao: Notes the intense focus in Shanghai and Beijing. Notes moving into other cities including inland cities opens new opportunities. In China more and more consumers are interested in nutrition. If the fish can be portrayed by the chef to capture Chinese flavors it used to be a popular way to encourage consumption, but now consumers in china are interested in other styles of cooking.

Hacaga: Notes that on the internet platform is designed to attract attention towards the story behind the food their displaying. Notes that in a traditional grocery store the displays eventually fade into the background. There is an importance in translating the story and getting it across to people in the lower 48. Notes Thrive sells curated boxes based on what the customer chooses, and notes a strength around Alaska Salmon. Brick and mortar promotions work well when there is a set timeline. But with internet platform, they can tell the story every day in a consistent and captivating way.

Klausen: Suggests as a company he'd reach out to ASMI to use money for product development, seeking to enhance flavors on existing products, or related to Gao's comments, attract new markets to existing product flavors. Reach out to ASMI to bring in a noted chef, other clever approaches.

Gao: Notices a disconnect between recipes prepared by a chef vs how people will prepare things when they go home. Notes after a promotion is over, does not see the traction remain on that recipe. Notes simpler the recipe, the more attractive the dish appeals to customer. Remarks on different challenges between making black cod attractive to a home cook vs. regular pacific cod or even pollock.

Klausen: Agrees simple recipes are more useful, even if you use a chef, it needs to be accessible to home cook.

Pizzuti: Remarks on influencer impact on customer, they see them do it and it feels more accessible.

Follari: Sodexo approaches different proteins different, utilizes pollock. Remarks on connection between pollock value added products and attracting kid customers.

Sunderland: Remarks on past Domestic Program work with Chef Kathy Casey utilizing simple, low number of ingredients. Examples of simple recipes that attract customers.

Klausen: In new markets, back-up support is more important than money.

Brunell: Trying to look at Pollock from standpoint as to how do you increase the value of pollock on the menu. Can ASMI portray that product perception to be bigger than what it is? It has to be presented to be more attractive.

Kimball: Gives analogy of how important Kale is now vs 20 years ago. Remarks on perception of Kale in the marketplace now as it's similar to pollock.

Guy: Echo's concept of perception of value, talks about perception of pink salmon in cans vs "better quality" salmon.

Kimball: Is there a way to portray the integrity of the supply chain in a positive message? What does sustainability mean? What does integrity of supply chain mean?

Brunell: Remarks on the premium pricing that small scale farms have been able to put on their meats. 4oz piece of fish is competing in price point with a 16oz steak. How do you convey that value that justifies the price? Can you tie it back to more direct sources to increase the value perception of that species of fish.

Kimball: Agrees that a simple fact related to the fish elevates the value in the mind of the consumer. Just as meat companies will call out location of the cut of meat.

Enlow: points out challenge of naming items, giving them attractive names elevates the item.

Klausen: Suggests some ideas around marketing the different size of the fish to suggest value.

Enlow: points out cost of those promotions and the importance of demand driving that kind of investment vs. trying to generate enough drive to justify cost.

Schactler: Notes small number of pink filets available, feedback from customers he'd spoken with was they'd loved pink salmon when it was presented as a filet. Is that something ASMI should be doing?

Woodrow: Asks if customers would be willing to pay higher price point for pink fillet. Processing costs for pink and sockeye is the same. So you're asking a higher price point for pink.

Guy: responds it's a timing issue. Cites a fresh keta run. It was a successful \$3 million in sales for 4 week period. If Pink can be fit in, then yes it's possible. Also customers don't know what the price point of fresh pink should be.

Heimbigner: asks Matsumoto to share a little bit about innovation projects he's undertaken in the Japanese market.

Matsumoto: Pollock in the Japanese market is unpopular. It's called white fish. The market sells pollock fillets and portions, and surimi. Last is roe. Roe is very popular among consumers and is called out by the name Tanako and Minako. Consumers are keen on sustainability, education is very important too.

Sunderland calls for break prior to break out sessions.

### **III. Break Out Sessions**

#### **a. Session I Topics**

- 1) Seafood Substitution w/ Rider (US Domestic) – Mark Palmer
- 2) Non-mainstream species/new products – w/ Lindoff (International) and Kohan (Technical) – Tomi Marsh
- 3) Pollock –w/ Woodrow (ED) and Marks (Sustainability) – Tom Enlow

## **b. Breakout Session Download**

Sunderland invites group back together to capture summary of small group conversations:

Woodrow Presented Pollock discussion recap: discussed strength of 5 tenants as they relate to Pollock, notes it's not something ASMI has done in the past. Discussed messaging around other species and how Pollock does not have the same romanticized story as other species do.

Marsh Recap None Mainstream Species.

Discussed tailoring buyers guide to other cultures and countries. OMR's would have access to these individualized documents. Discussed Herring product forms, where Herring can go. Dan asked about strategizing and prioritizing ASMI's goals for these species. Figure out where the priorities are for social media or economic drivers and importance of industry buy-in. Discussion of full utilization.

Vice Chair Kimball asks if there was discussion of doing things differently from a primary processing standpoint?

Schactler: There isn't any promotional material for it. Things like "how do you cook it, how does it taste". Which led to a conversation about equal variety of materials for all species.

Kimball: is there something in the market place that is like what they're getting in rockfish.

Kohan asked Gao about similar products to Rockfish in Chinese market.

Gao: gave a long response that was not picked up audibly by the recording.

Aherne: comments that the discussion itself shows there is a need for a clear strategy for these ideas. Comments it needs to happen more than once every two years. If there is a clear two or three priorities then ASMI would be best to create mechanics for these ideas. Creating an environment where idea sharing happens in more real time. We need multiple of these conversations with more people. With further discussion we could identify what products are most lucrative. The decisions aren't all in this room.

Sunderland, remarks that is the intent of this meeting is to generate a feedback loop, with the next discussion taking place at All Hands.

Sunderland introduces Seafood Substitution that he was a part of. Highlights opportunity of possibly attracting non-seafood eaters who are willing to test a plant based seafood simulated food. Discussed collaboration between retailers for promotions to attract interest in actual seafood. Reviewed conversation related to labeling guidelines from a regulatory standpoint.

## **c. Session II Topics**

- 1) Seafood vs. other meats w/Rider and Woodrow – Tom Enlow
- 2) Health and functional nutrition w/Kohan and Marks – Tomi Marsh
- 3) Seafood as a convenience/snack food w/Lindoff – Mark Palmer

#### **d. Breakout Session Download**

Sunderland invites group to come together to discuss.

Aherne presents the download from the discussion. Talking about the healthy natural nature of fish and the stabilizers and preservatives that make the items shelf stable. Discussed what kinds of snacks would work in the market. Needs to continue to innovate for a healthy and natural product. Guy points out that if you take away the processing, you're left with very limited options. Hacaga asked about expanding jerky offerings. Guy answered that in the grocery area, it's about space. Other brands are going to keep pushing you out. Gave example of Oscar Meyer owning Lunchables and outspending everyone that develops a similar product as soon as a competitor tries to come on the market. So, strong competition pushes the seafood jerky out.

Next up is health and functional nutrition group.

Kohan presents. Started by ID'ing health and nutrition is important to regular seafood consumer. Talking about benefits from consuming Alaska seafood, pulling bits and pieces of messaging that are quick and informative. Talked about a robust database of better-curated recipes that address functional food concepts. Talked about getting information into the fitness and trainer audience. Talked about options for developing messaging. How do we talk about issues of qualities and seafood safety? Brunell complimented the idea of an AK Seafood diet. Jens noted importance of personalizing the message, focus snippets of data about different demographics of the population: what makes it good for pregnant women, senior males/females, young men, etc...

Seafood vs. other meats

Education is a driver: revamping seafood U for better education at the seafood counter, as an hourly worker. Talked about retail challenges working against other meats. Talked about ensuring seafood is served in schools and encouraging kids to eat more seafood. Finding that people purchase meat differently than they purchase seafood. How people purchase seafood for one meal at a time vs buying seafood with no plan, and freezing it for future use, as is the case with purchases of chicken, beef and pork. Jens, Denmark government subsidized a program, eating fish twice a week, increased consumption of seafood.

#### **IV. Horizon Issues**

##### **a. Social Responsibility – Dan Ahern**

Dan presents in the last 20 years, focus on traceability and sustainability of fishery. Discovered human rights abuses in the industry. Famous was the Thai prawn market. People were seeking beautiful scenes but behind the scenes, there were situations of slave labor hidden from view. In the UK they've discovered slave labor on produce farms where workers were being paid \$18 week for their labor. Modern slavery will be an issue in the food industry now and into the future. Assessment if AK is that it's low risk, however low risk is not no-risk. Import to be transparent truly. Alaska is a leader in the sustainable fishing industry. Many positive stories to share. Dan reviewed various policies and the Jones Act that protect workers who may be injured. The benefit of permits that allow minors to work on vessels. All lend to making it low risk, but not no risk. Scores of migrant labor coming in to work long hours in processing plants every day, assessments need to be made to ensure that we can be certain that there is no poor treatment of others.

Aherne asks if others have similar concerns.

Vice Chair Kimball reiterates the importance of the integrity of the supply chain. He's concerned that

there's a lot of talk but not action. From the standpoint of looking at the whole supply chain, customers will often have a large document that needs to be addressed, and the extra aspect of how this is organized is all over the board.

Palmer comments that food safety was a very important and there were so many audits every week that the industry got together and consolidated efforts to ensure 1 solid audit that everyone can agree with. It drives cost and inefficiency. He notes that the long working hours and "100 hour weeks" area a goal for Bristol bay fishermen who want 60 hours of overtime for the short fishing season, and those long hours then violate the audits of certain buyers.

Aherne notes that if you do not explain why minors are working in the industry, and what the safeguards are, then you're not successfully reassuring the people that want transparency. You can't pick and choose how to demonstrate ethical practice. Again with long working ours, transparency and being upfront about the long hours and bunkhouse living in a short fishing season is a part of the desire of the workers to be there willingly and paid for that work.

Kohan comments that a lot of industry uses four-pillar analysis. However, the diversity of the industry makes it very difficult to find 1 way to conquer this issue.

Vice Chair Kimball points out that when you go to apply a standard to each individual family permit holder, there isn't a way to ensure every single family fishermen is meeting requirements uniformly.

Pizzuti points out that since AK has every gear type, AK is positioned to create standards for every type of boat.

Schactler notes that AFDF and UFA have been working together towards creating standards.

Woodrow states that for ASMI to participate in an initiative like this, it would need to go before the board for consideration of how they could be involved, and if ASMI has the capacity to act as a facilitator for this type of industry wide initiative.

Sunderland asks the group if there are some final takeaways from today's meeting.

Palmer notes from the roundtables, the willingness to share information about consumers was invaluable. Was impressed by the number of people who are willing to share information with ASMI. Ensure there is further engagement beyond once every other year.

Sunderland noted a conversation about building a CAP meeting around the Boston Seafood Show. Kimball asked if it would be better for CAP members to give us more information on what they want to discuss at meetings, vs having us set the agenda. Aherne and Klausen noted that they had been approached by ASMI directors at Brussels to get a feel for the topics that needed discussion, and so their engagement was appreciated.

Pizzuti stressed importance of engaging the CAP members regularly outside of the meeting. It's important to be utilized regularly more than just once a year.

Aherne thinks there isn't a clear enough strategy that we're focused on. The CAP is there to provide input on strategy and goals. But perhaps there is no clarity on what the goals are and so the cap members went home but there was not a final goal(s) identified or ask made.

Brunell echoes that we need to hone in on one or two major objectives and then each CAP member can look at how they can contribute to that goal individually from their own companies and skill sets.

Sunderland notes the charter is worded strongly around asking for help.

Vice Chair Kimball suggests to board members that they as BOD can discuss what they've heard and distill that down from their perspective, including topics that didn't get discussed today, but make decisions on how we'd want to engage the CAP members more.

## **V. Adjourn**

Vice Chair Kimball thanks everyone for their time and contributions throughout the meeting.

Vice Chair Kimball asks if there is a motion to adjourn.

Moller makes a motion to adjourn. Palmer seconds the motion. The motion passes unanimously.

The meeting is adjourned at 4:48pm.