



Alaska Seafood Marketing Institute
Board of Directors/Customer Advisory Panel
Draft Minutes

A regular meeting of the Alaska Seafood Marketing Institute Board of Directors and Customer Advisory Panel was held on August 6, 2013, in Girdwood, Alaska.

Present: Kevin Adams, Mark Palmer, Barry Collier, Joe Bundrant, Roberta Graham

Also Present: Jerry Iwasa, Jeremy Langley, Sarah Cooper, Keith Harris, Chen Hui Ming (Chris), Dave Melbourne, Sean Brislin, Mike Cerne, Hannah Lindoff, Claudia Hogue, Larry Andrews, Randy Rice, Andy Wink, Stefanie Moreland, Jay Sterne, Mary Rehfeld, Nicole Stangeland

Chairman called the meeting to order at 9:09 AM.

I. Chair Report

Chairman welcomed guests and members to the meeting; thanked everyone for attending. Chairman welcomed public comment. Adams introduced Stefanie Moreland with the Office of The Governor: **Moreland, Office of The Governor:** The Governor has been talking a lot about seafood marketing lately. They appreciate the work of the CAP, Board and ASMI staff on Alaska seafood certification and the Governor is aware of the recent issues with Alaska seafood certification. They are encouraged by Wal-Marts willingness to meet with Alaska and learn more about Alaska's commitment to sustainability and Alaska's certification. They have resources with Department of Commerce, Community and Economic Development and Alaska Department of Fish & Game to continue to carry forward the positive message about Alaska seafood.

II. Public Comment

Representative Tarr: Has worked with ASMI over the past legislative session on a measure passed that opposes approval of genetically modified salmon. Representative Tarr is looking forward to working with ASMI, CAP and Board members in the future. Representative Tarr has been following the issue on Wal-Mart's decision to source seafood from the MSC. She thanks the CAP for supporting and trusting Alaska's certification. She shared a letter signed by legislators to Wal-Mart.

III. Executive Director Report

Welcomed attendees and thanked everyone for participating in the meeting. Cerne Introduced Jay Sterne, Fisheries Advisor for Senator Murkowski.

Budget: The FY15 budget cycle has started and ASMI will be attending meetings with the State in the next few weeks. The Governor has asked for a zero growth budget, which ASMI will accommodate. ASMI still has a 5 million dollar MAP fund reserve which they will ask to keep in the budget. The Farm Bill,

which the MAP fund is linked too, has not been completely resolved and there have been two or three amendments to either greatly reduce or eliminate the MAP funding all together.

Board Appointment: There is currently a vacant board seat. There is no update at this time.

International Marketing Director Position Vacancy: Have received applications. A select four applicants have been chosen to interview on August 15th in Juneau. The hiring committee will be Jeff Stephan, Mike Cerne and Torunn Halhjem.

Wal-Mart issue: Alaska has had multiple conversations with Wal-mart. ASMI staff have been busy working with industry, the Governor's office and Washington DC to ensure that the message to Wal-mart stays consistent. They have shown a willingness to want to meet and to learn more about Alaska's RFM certification. Alaska has a meeting set with Wal-Mart on September 5th at the Wal-Mart headquarters.

Upcoming events: ASMI has put out a request for proposal for a new Overseas Marketing Representative to represent Northern Europe. The RFP closes early September. The interviews for the OMR will be conducted in London. The ASMI All Hands Meeting will be held in Anchorage at the end of October. There will be a USADEC conference in Washington DC in November.

Bylaws: At the last ASMI Board Meeting a motion was made to change a bylaw. The bylaw has been changed and will prohibit any ASMI compensated people from serving on an ASMI committee.

Mike Cerne PowerPoint Presentation: Update on program activities. (See attached)

Cerne stated that the technical program has put resources to a sampling plan which will better inform the USDA nutrient database. Rice stated that this is important due to the fact that the USDA nutrient database is not completely accurate. The nutrient data is based on very small sample sizes. Rice stated that the USDA samples fish through a market basket approach which sends contractors out to sample fish from various seafood counters. They must accept what the vendor is telling them the species is, however they have found that at times they are not even the right species. There is no custodial history on what the samples are and there is no way of telling if the samples have been treated. The Technical Program has set aside funds to provide samples to the USDA.

Kate Consenstein with Schiedermyer & Associates stated that they have negotiated a contract with Kikkan Randall, a four-time Olympic skier. Randall will be appearing at three international events of ASMI's choosing and three domestic events. Randall is being pitched to different publications in which she will talk about her training regime which includes Alaska seafood. Consenstein stated that Randall is a great match for Alaska seafood.

Moreland asked a question regarding the USDA nutrient database and if the technical program has taken on the issue of the FDA and USDA conflicting advice to consumers and particularly to pregnant women. Rice answered yes, the Technical program has put out many communication pieces with the help of nutrition doctors which address this ongoing issue. He also mentioned they are staying up to date on this topic. Hogue stated that this is also an important issue in PR outreach to school institutions and their lunch programs. Melbourne said that Bumble Bee is working aggressively to have a science based discussion on the matter. They are actively engaged in public health messaging and plan to coordinate some of the initiatives and the importance of seafood consumption.

IV. Andy Wink Presentation (see attached)

Break

V. Randy Rice Presentation: RFM Certification Update (see attached)

Peter Hajipieris called in and presented (attached)

VI. Jay Sterne Presentation

Sterne thanked ASMI, CAP and Board for hosting the meeting. Sterne is attending the meeting representing Senator Murkowski. A recent Parks Service discussion had announced that they have produced guidelines for what can be supplied at national parks. The Senator believes that it is bad federal policy to allow 3rd party certifiers to be the arbiters of what can be sold at National parks. Murkowski sent a letter to HHS, GSA and the Park Service stating her concern and her desire to hold a discussion regarding this issue. Sterne played a video of Murkowski confronting the Park Services on this issue ([video here](#)). Collier personally thanked the Senator for her comments in the video. Sterne stated that the Park Services, NOAA and Senator Murkowski had a private meeting after the discussion in the video, and he stated that the Park Service is reassessing their guidelines. Sterne stated that this is a national concern for Senator Murkowski. The Senator is committed to making sure that NOAA is involved in seafood management policy. The Senator believes that the MSC, SFP and Monterey Bay Aquarium are meddling with Alaska fisheries management.

SFP initiated a campaign to influence the North Pacific Fisheries Council's decision on whether or not to protect the Bering Sea Canyons. SFP is actively engaged in trying to influence fisheries management policy. The North Pacific Fisheries Council choose not to impose further protection for the Bering Sea Canyons, however they will conduct additional research.

There is a greater issue than just the Bering Sea Canyons or the National Park Service but it is about the influencing of how seafood as a commodity is sold in the marketplace.

Trident Seafoods was denied the opportunity to participate in a bid to supply seafood to the U.S. Marine Corps due to policy that is in place by the vendor that was brokering the seafood deal, Sodexo. They required that the Alaska seafood being supplied carry the MSC certification, however lobster being supplied did not need to carry the MSC label. The Senator believes that there are a lot of mixed messages and different agendas surrounding this issue. The Senator is encouraged by seeing ASMI involved in pushing back on this. Senator appreciates the support by ASMI in Alaska.

The Senate introduced Senate Bill 520 which proposes to addresses serious problems related to fraud in the seafood industry and claims to promote safer seafood. Sterne passed around a marketing piece published by Oceana: "Ocean Study Reveals Seafood Fraud." The Senator is concerned that the bill is unproductive and mostly a repackaging of existing laws and regulations. The FDA and NOAA currently have detailed MOU's in place to deal with safety inspection. The bill seems to be overly complicated and redundant. Sterne asked the audience if there are gaps in existing regulations. Are there areas where seafood safety can be improved? Sterne feels it is hard to trust what Oceana puts on paper. Sterne is interested in the RFM COC program. They are looking for improvements that won't overburden the industry. Senator Murkowski believes Alaska fisheries set the standard around the world.

Senator Murkowski has worked hard to include funding that will go to a fisheries disaster fund which will be distributed to regions around the US that have declared disaster runs, including some Chinook salmon runs in Alaska.

The Senator has sent a letter to the CEO of Wal-Mart calling upon them to head in a direction that recognizes what is sustainable. Senator Murkowski has invited Wal-Mart's CEO to meet with her in Washington DC.

VII. CAP Presentations

Jeremy Langley; Waitrose Ltd

- Waitrose has been working on a responsible seafood scheme for 15 years and they have determined they will create their own policy, but support other schemes as they feel a 3rd party verification is important.
- By 2016, all seafood that Waitrose sells will be 3rd Party certified
- Waitrose is very pleased with the RFM scheme and they plan to support it, however they do not plan to use the seal as their customers trust the Waitrose brand logo.
- Waitrose will go through the RFM Chain of Custody process.
- Palmer asked how Waitrose plans to inform customers of sustainability. Langley stated that they will get the message out through in-store publications, monthly magazines, fish counter information and Waitrose TV

Sarah Cooper; Gordon Food Service

- They have decided not to go with any one particular sustainability certification. They do not want to push an agenda with their distributors but instead keep them informed on issues surrounding sustainability.
- They want feedback from their operators on exactly what is important when it comes to sustainability.
- The feedback they are receiving from the sales people and operators is that they trust Alaska, they are looking for information that is easily accessible and from a credible source.
 - Bundrant asked what ASMI can do to help get the message out. Cooper stated that assistance with awareness would be helpful.
- Training is key for their employees – they utilize Alaska SeafoodU as part of their training.

Chris Chen; Pan Fish Ltd.

- Main business activities include food distribution to hotels, chain restaurants and institutes across China mainland
- Sustainability is a very new concept to the Chinese market and consumers are not as familiar with this concept
- Their priority is to make their own production sustainable by finding solutions to reduce waste
- They have found that their customers have no preference when it comes to certification schemes.
- Chen feels the Alaska certification stands a good chance in the marketplace.

Dave Melbourne; BumbleBee Foods, LLC

- About 6 years ago they started to address the fisheries management of their suppliers
- Fisheries management and sustainability is core to their existence and their business
- They have taken an aggressive stance against organizations that are not science based.

- Believes that what Alaska does is very solid when it comes to fisheries management
- They agree with the FAO-Based model
- They believe certification is not a consumer issue at this point, but believe that the issue is growing with consumers
- They feel that having the ability to access marketing and educational assets including videos, information, etc. will be very beneficial.
- They have come out with a new product line called 'Wild Selections' which will be MSC certified. It will also carry the WWF logo being that some proceeds will go to the WWF for fisheries management and marine conservation.

Sean Brislin; The Kroger Co.

- Approach for marketing has changed over the years
- Their sustainability approach is to take a leadership stance and be proactive while sourcing sustainable products. They want to simplify the message for their consumers and make them aware of the approach Kroger is taking.
- Customers trust that Kroger is purchasing from a sustainable source.

Jerry Iwasa; Kibun Foods Inc.

- Kibun foods is mainly a Surimi seafood producer while Alaska and Thailand are their main suppliers
- Customers prefer having already prepared foods available to purchase at the store.
- Sustainability is an important asset.

Keith Harris; Whole Foods Market

- Healthy, nutritional eating is key to their sales as well as the company's stance on being good environmental stewards.
- They cater to health and environmentally conscious consumers.
- MSC is considered their gold standard.
- Monterey Bay Aquarium is another reference that they use and sell.

VIII. CAP, Board, ASMI Discussion

Health:

Cooper said that health is an ongoing trend and feels that it is relevant and very important in marketing messages. Langley stated that health claims are very important in the EU. Lindoff asked if they should pursue going through the process to be able to use these claims. Langley stated that the retailer is currently using these claims on Alaska products. He feels these terms are very important and these nutrition claims are key.

Harris asked when the new accurate USDA nutrient data will be available. Rice answered that it will probably be available in the new-year.

ASMI

Collier asked what ASMI could do better.

Langley mentioned that Norway is also doing very well in telling the story of their seafood. Jeremy has been very pleased with ASMI's materials, marketing activities and promotions.

Harris asked that ASMI continue to raise the bar and push the high quality Alaska seafood products. He feels that the printed materials are very helpful.

Harris asked which regions, companies are most active in using ASMI assets.

Andrews stated that the retailer Hy-Vee stores have used ASMI assets very well. Andrews asked if the animated (ASMI 101 & Seafood By Numbers) video would be beneficial to buyers. Melbourne said yes, the ASMI videos would be very beneficial. He feels that digital assets need to be kept under 2 minutes and that the social media platform is a way to expand and collaborate. Langley feels that there is large opportunity to tell the fishermen story. Consumers want to know who is catching the fish and the story needs to be more personal. Cerne asked what ASMI can do to promote Alaska Seafood to the younger generations. Melbourne stated that he feels there is a huge opportunity to promote canned Alaska seafood to the younger generations. He feels that product, packaging and cost are key factors to promoting Alaska seafood to the younger generations. Cooper stated that ASMI's online tools are very beneficial to their training practices and are great resources. Melbourne stated that ASMI is doing a great job in educating consumers and feels that there is opportunity to drive seafood to the younger generations.

Seafood product Opportunity

Palmer asked if the CAP feels that there is opportunity in marketing keta salmon and asked how we can explain that keta salmon is a good choice. Langley mentioned that finding that point of difference and telling the story will be key in getting that message across. Palmer: Are there opportunities for retailers to sell ready to go packages of sushi where consumers can take these home and make it themselves? Iwasa stated that is very rare for someone to purchase and make sushi at home. The most popular product is prepared sushi from the store. Cooper mentioned that they have tried selling frozen sushi but have not had much success with this product.

Mark Palmer made a motion to increase ASMI's budget by \$500,000 for support of the Responsible Fisheries Management.

Barry Collier seconded the motion.

The motion was adapted by unanimous consent.

Joe Bundrant made a motion to adjourn the meeting.

Mark Palmer seconded the motion.

The motion was adapted by unanimous consent.

Alaska FAO-Based Responsible Fisheries Management (RFM) Certification

RFM Project Update-CAP Meeting
Kodiak, August, 2013

Randy Rice

ASMI

Seafood Technical Program

RFM Project: Status Updates and Significant Milestones

- Contract award to Global Trust, Mar 2010
- Salmon (certified Mar 2011, now in 2nd annual audit)
- Halibut certified June 2011 (now in 2nd annual audit)
- Alaska Pollock Sept 2011 (certified-annual audit)
- Black Cod Oct 2011 (certified-annual audit)
- ***FORMAL ISO 65 ACCREDITATION FEB 2012***
- Bering Sea Snow and King Crab Mar 2012 (certified)
- Cod (certification in progress)

- RFM process underway flatfish (12 species complex) and brown king crab (validation completed)

RFM not just in Alaska- not just the “ASMI” certification

- Iceland has certified cod, 2 other fisheries in progress
- Gulf States have just launched an RFM certification initiative with multiple fisheries
- Future potential for an “Alliance” of RFM

GT and MSC not similar roles in certification of fisheries-part of nomenclature confusion

Not substituting GT for MSC

MSC a standards owner, GT a certification body

MSC can change the standard-a risk of moving goalposts

GT cannot: verifying against FAO criteria

Salmon situation

- A group of Alaska processors announced would not continue to participate in MSC program January 2012. This effectively ended (80% salmon production) AFDF's role as client for MSC
- MSC certification lapsed Oct 29, 2012
- New client PSVOA is moving ahead with MSC recertification-expected date October 2013
- Major processors holding firm to not re-enroll with MSC
- Numerous buyers making the switch to RFM in view of salmon product availability being not MSC

Chain of Custody



- Suppliers certified-64- A major uptick in RFM CoC as a result of Salmon situation
- Suppliers certification in progress-10
- Standard accreditation expected September

Auditor list

- List of SAI Global auditors available for CoC audits now posted on ASMI website
- SAI Global able to subcontract with others to conduct audits
- Following completion of CoC accreditation other ISO CBs can audit to CoC Standard

Outreach and Transparency

- Eblast updates continue
- Website revamped
- Postings on website

Outreach and Transparency

- Eblasts continue
- Website revamped
- Continue to post fishery certification status and documents to website
- NGOs – SFP, Wild Salmon Center
- Customers – CIA, Walmart,
- Trade Ad campaign in US, UK, France, Holland, Germany, Spain

Status of other Alaska Fishery certifications

- Alaska Pollock renewal date: December 2015 (GOA September 2015)
- Alaska Halibut and Black Cod MSC renewal date: May 2015
- Alaska Cod MSC renewal date: January 2015 (GOA January 2015)
- Alaska Flatfish: June 2015 (GOA June 2015)



www.alaskaseafood.org

Thank you!

ALASKA SEAFOOD INDUSTRY UPDATE

Prepared by:
Andy Wink, McDowell Group, Inc.
ASMI CAP Meeting – August 6, 2013

Prepared for:



Alaska Seafood Marketing Institute

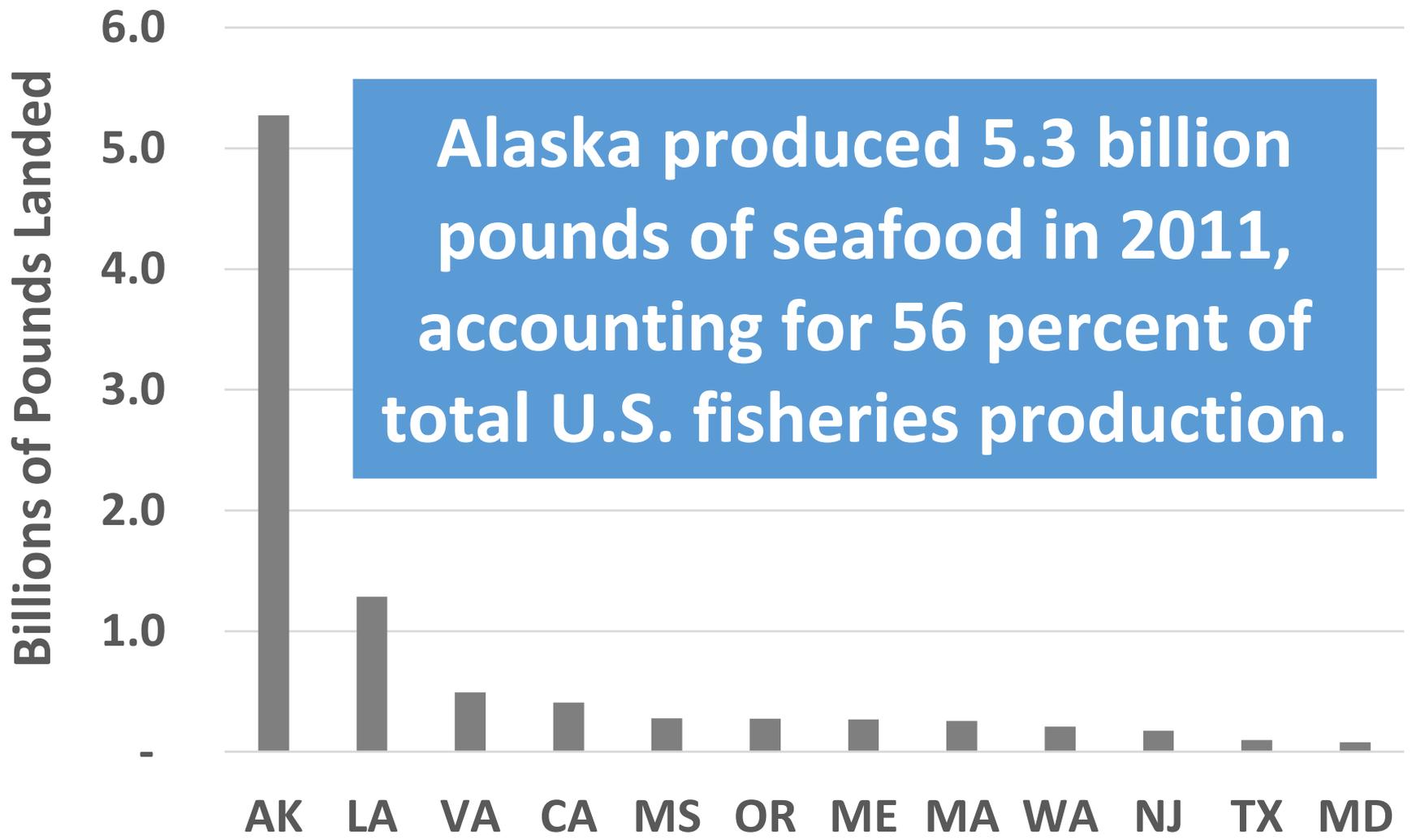
- ◆ Overview and Economic Impact of AK Seafood
- ◆ Production Outlook and Markets for AK Seafood
- ◆ Overview and Key Points for Major Species



Who and What is Alaska Seafood?

- ◆ 69,000 fishermen, processors, managers, tenders, etc.
- ◆ Fisheries are managed by State and Federal Agencies
- ◆ Diversity: Large corporations to sole proprietors
- ◆ Over 80 commercial species
- ◆ \$4.6 Billion in Wholesale Value

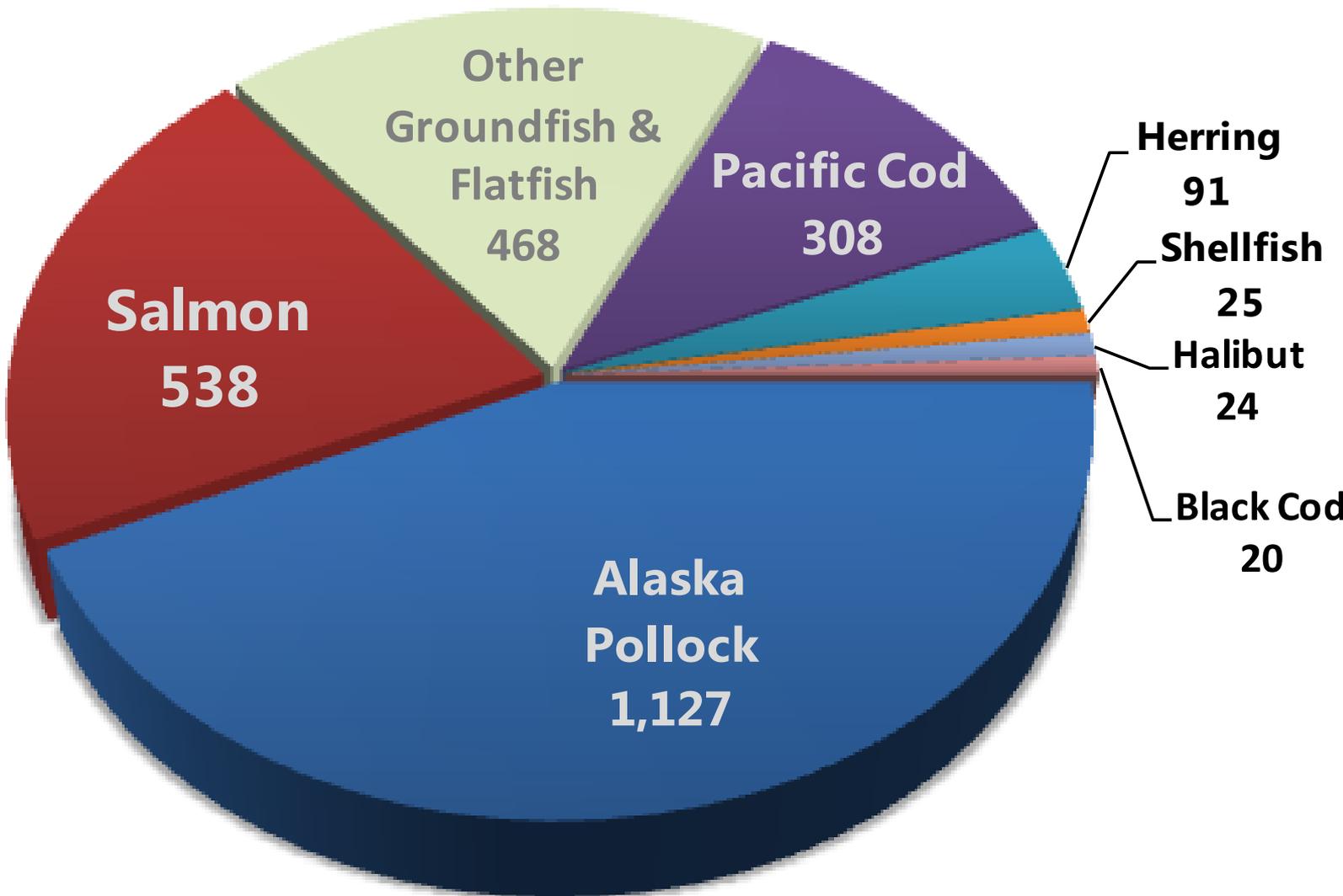
Alaska is Top U.S. Seafood Producer



Source: National Marine Fisheries Service.

Alaska Seafood: Composition by Volume

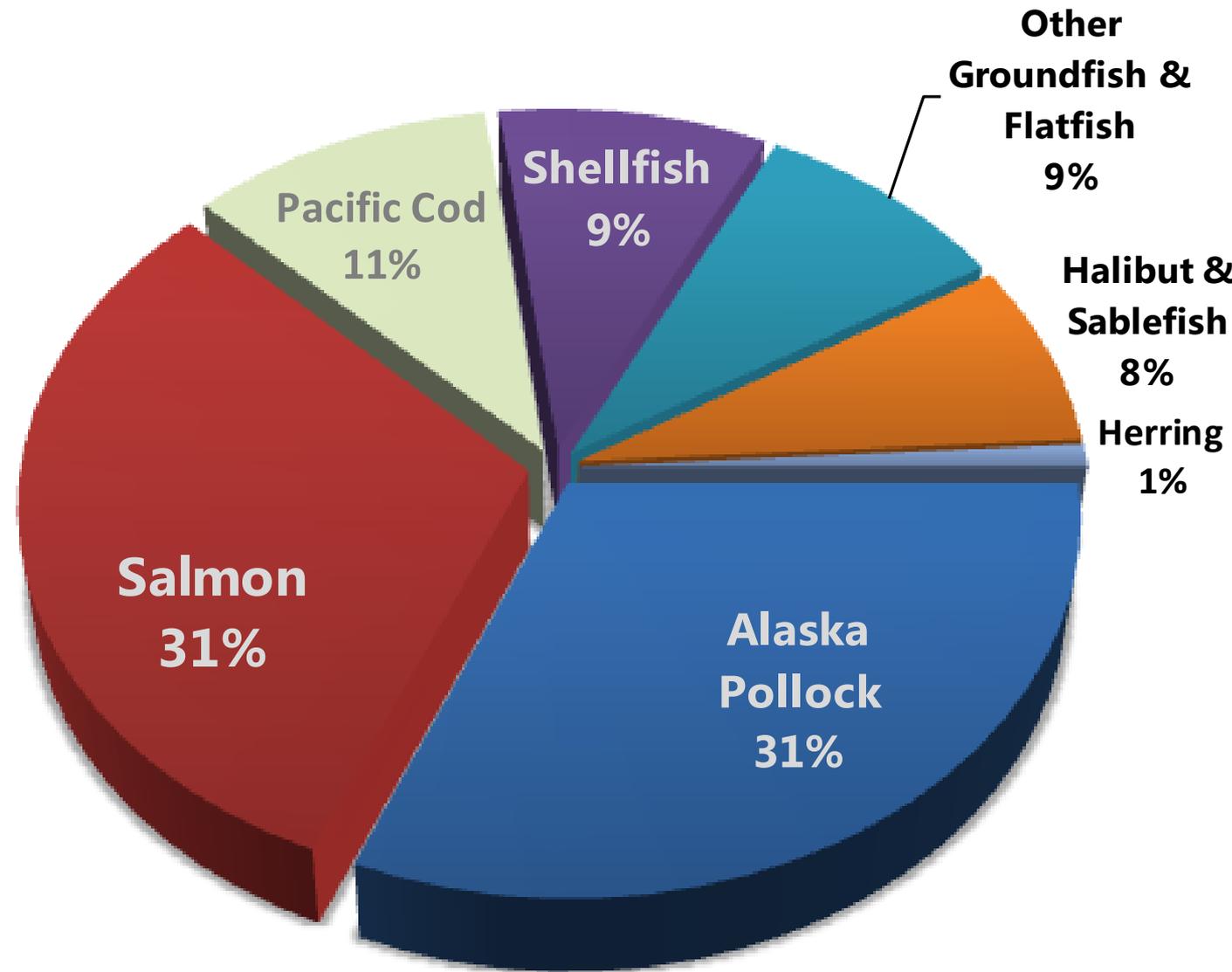
2011



First Wholesale Weight in Millions of Pounds

Alaska Seafood: Composition by Wholesale Value

2011



Alaska is the 7th Largest Exporter

Rank	Country	Seafood Exports in \$Billions (2011)
1	China	\$9.7
2	Norway	9.5
3	Russia	4.8
4	Vietnam	4.2
5	Chile	3.8
6	Thailand	3.3
7	A L A S K A	3.2
8	Canada	3.2
9	Netherlands	2.7

Source: National Marine Fisheries Service and Global Trade Atlas.

Economic Benefits of Alaska Seafood

- ◆ Creates Jobs for +165,000 Americans
- ◆ Direct Participation by Residents of Every U.S. State
- ◆ \$3.2 Billion in Exports (58% of U.S. Total)
- ◆ 10 percent of U.S. Seafood Consumption
- ◆ Employs 1-in-8 Alaska Workers
- ◆ Primary Economic Base for Over 30 AK Communities
- ◆ Most Valuable Renewable Resource in Alaska
- ◆ Accounts for ~1% of Washington State Employment

Alaska Seafood Production Outlook

- ◆ Alaska Pollock and Pacific Cod quota steady
- ◆ Alaska sockeye salmon forecast down
- ◆ Alaska pink and keta salmon forecasts up
- ◆ Halibut TAC down, Black Cod TAC stable
- ◆ Snow crab was down in 2013 but still historically high
- ◆ Large biomass of flounder and sole, markets are developing but harvest restricted by 2.0 MMT rule
- ◆ Over 60,000 MT of Pacific Ocean Perch and Rockfish
- ◆ Growing oyster production in Southeast

Overview of Key Species

Key Points for Key Species

- ◆ Large supply of Acod putting pressure on Pcod prices
- ◆ Some U.S. retailers swapping keta for sockeye
- ◆ Sockeye demand strong in U.S., weaker in Japan
- ◆ High prices for ATL salmon could support AK salmon
- ◆ Steady demand for fresh halibut, but high frozen inv.
- ◆ Weaker yen impacting sales of Black cod and snow crab
- ◆ Roe market could also weaken due to yen
- ◆ Pollock fillet prices steady
- ◆ IUU Russian crab trending up, lower AK crab prices

Other Important Issues

- ◆ High feed costs pushing up producer prices
- ◆ Secondary processing costs rising fast in China
- ◆ ISA found again in Chile
- ◆ Packaging technology... improved quality for fresh
- ◆ Continued consumer education about benefits of Alaska Seafood
- ◆ Americans need to be more health conscious
- ◆ Chinook runs down in many areas, research ongoing

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Andy Wink, McDowell Group, Inc.
ASMI CAP Meeting – August 6, 2013

Prepared for:



Alaska Seafood Marketing Institute

ASMI Executive Director Report

Customer Advisory Panel Meeting

Kodiak, AK

August, 6th 2013

Status Report

- FY 15 Budget/MAP Funding
- Board Appointment
- International Program Director
- Walmart Meeting
- Upcoming Events
- Bylaws
- Executive Session
- ASMI by the numbers...

Food Service

- 32 custom, national chain promotions in 11,187 units across the U.S.
- 17 distributor promotions including 5 corporate-wide.
- 19 conferences/trade shows to educate the foodservice industry about Alaska seafood
- 28 earned media placements with an ad value of \$340,560 and audience of 1.5 million
- 5 top foodservice editors on media tour to Dutch Harbor
- New & exciting: Consumer research - investigate new trends and seafood preferences in restaurants

Retail

- 12 Consumer events/conferences
(Atlanta, San Diego, NY, Boston, Austin)
- 165M Impressions on web sites
- 87 Promotions in thousands of stores
- 831K POS materials distributes
- 12,633 Stores carrying sockeye/keta promo w/Chateau Ste Michelle wines
- New & exciting: ASMI site MultiAd[®]/Kwiikee Partnership with Chateau Ste Michelle wine

Technical

- 90 Percent of time spent on sustainability!
(detailed update to follow in agenda)
- 8 Trade show/conference presentations
- 63 Companies getting RFM CoC certified
(including 131 facilities)
- New & Exciting: Sampling plan to inform
USDA nutrient data base
(sockeye first, cod, pollock, others to follow)

Public Relations

- \$18M media value
- 526M audience size
- 8 Chefs recruited to Chefs Alliance (total 26)
- 122K Hits on new www.wildalaskaflavor.com
- 7 Seafood events
(food writers, bloggers, culinary professionals)
- New & exciting: Contract with Olympic skier

Communications

- \$6.4B Economic Impact Report seafood value
- 94K Economic Impact Report seafood jobs
- 16 Outreach events (shows, in-state, sponsorships)
- 400 Annual Reports distributed (trade/govt)
- \$11.7M Top Chef media value
- New & exciting: Photo/video database

International

- \$35M Sales from Brussels
- 6 Alaska trade missions hosted
(Germany, UK, Japan, China, Brazil)
- 110 Trade leads HOFEX Hong Kong
- 43M Japanese viewers TV show AK seafood
- 25 Food Service promotions in EU
- New & exciting: Opening Brazil market
(4 trade missions)