

ASMI Alaska Seafood Marketing Institute
Whitefish Committee Meeting
Monday, October 28, 2013, 9:00AM
Adventure Room, Hotel Captain Cook
Anchorage, Alaska

The meeting of the ASMI Whitefish Committee was called to order at 9:05 at the Adventure Room, Hotel Captain Cook, Anchorage, Alaska. A quorum was not established. Ms. Gretchen Sagan was appointed Recording Secretary.

Present: Mr. Merle Knapp, Chair
Mr. Torunn Halhjem (9:23)
Mr. Julie Yeasting
Mr. Tony Macedo
Mr. Al Burch
Mr. Sylvia Beaudoin (9:28)

Absent:
Mr. Rasmus Soerensen
Ms. Mike Cusack
Ms. Steve Alger

Guests:
Ms. Alexa Tonkovich, ASMI
Mr. Mark Jones,
Mr. Mark Jones, ASMI Retail
Ms. Jan Dickerson, Food Service
Ms. Rebecca Wilson,
Saiko _____,
Robin Wong, ASMI China
Alexa Tonkovick, ASMI International
Carl Yurie,
Gary Stevens, Senator, State of Alaska
John Garner,
Sinclair Will?,
Pat Shanahan,
Tricia Sanguinetti,

Chair Knapp opened the meeting with introductions around the room. It was stated that committee members received summary from the prior meeting and a set of questions for discussion. The whitefish committee has a focus on industry whitefish specie such as cod, pollock, flatfish, and rockfish.

Chair Knapp requested a brief evaluation of each specie from the committee members. Mr. Burch spoke regarding the Pollock fisheries. So far this year the fishery has been good. The association is working to manage themselves with satisfactory results, and look forward to upcoming council and board of fish meetings. The Pollock opening has scheduled boats this year, rather than opening all at once and the catches are going very well.

Mr. Tony Macedo commented on gulf cod. This has been the worst season in 23 years, price wise and competition-wise. Cod is a second-fiddle to other species which makes it especially challenging to market. There may be room for ASMI to continue to concentrate on market development for Pacific Cod in countries not dependent on Gaddis Marua. (Less Euro-centric) South America. For example in S.A. there is a possibility to make inroads. Progress has been made in Brazil, although an infrastructure is not in place and processing capacity is low. Building processing infrastructure is not a priority, as they prefer to get ready-made/prepared fish from China. From a commodity point of view, it was suggested that ASMI focus on processing capacity in Argentina and Uruguay in order to gain access to Brazil.

Ms. Julie Yeasting provided an update on flat fish. The flat fish situation is more difficult than cod. Prices are at 10-year low. However, with lower prices there is an increase in demand of flat fish. The main market is China which buys headed and gutted frozen products. (H&G) The Alaska brand product loses its identity after it is processed in China. It is then sent to market in Japan and Europe as a Chinese product. Troll Cod is doing fairly well. Long line prices are going up and the China market demand is there. The requests for Pacific Cod are for the biggest sizes, 9+lbs which goes to Brazil. It has proven to be very tough to move the Alaska cod into European markets. The Japan market may strengthen, however this is largely dictated by the exchange rates.

Ms. Torunn Hahljem reported that Pollock roe accounts for 30% of industry revenue. Russia produces twice as much roe than the US. In light of this unbalanced position, ASMI programs have made some inroads to Europe and China with regard to promoting the Alaska Pollock brand. However, more help is needed to continue to differentiate the source in Japan, China, and Eastern Europe.

For Pollock, the key driver to profitability is blocks. For the past 2 years the US and Russian quotas have been stable. The prices have dropped since Russia got MSC certification earlier this year. This has brought the US price down considerably. Another major problem is there is no differentiation between the US and Russia-catch. Russia commands 40% of the block output, which is twice as much Pollock than the US. Russia's block output is sent to China for reprocessing and then on to markets in US and Europe. This is then marketed as Alaska Pollock.

To counteract this labeling predicament the industry needs to identify and work with key customers who are willing to tell the Alaskan Story. 70% of US blocks are exported to Europe, where many customers don't care about the source, they are more concerned about the price point.

For the surimi market, there are more opportunities to market sustainable surime, as 70% of the supply comes from tropical waters. Not all of the species are certified as sustainable. For Surimi this is an opportunity, as in Europe there is more demand for a sustainable surimi product.

The committee discussed MSC Certified fish. Twice frozen and single frozen product from Russia is certified. The Alaska price will not pull the prices up, the lower prices

with drag things down. Unfortunately it is expected that the lowest priced Russian product will set next season's market prices.

Ms. Sylvia Beaudoin joined the meeting via teleconference at 9:28. A quorum was established.

The domestic cod market is inundated with Atlantic cod, particularly on the East Coast. Iceland is essentially flooding the market by bringing a lot of fresh cod onto the US.

The specie summary was complete and Chair Knapp reviewed the 7 questions for each specie committee to discuss.

1. Have ASMI programs been beneficial to the specie you represent?

Overall, ASMI programs have effectively raised awareness regarding Alaska Pollock. A survey regarding the Alaska Brand was conducted several years ago. ASMI staff is encouraged to get a copy of the GAP brochure which contains core attributes, why Alaska is the benchmark for sustainability. It was recommended to ASMI staff to review the survey, as well as set aside funds to re-survey and evaluate the Alaska message in Europe.

The Brazil mission was educational.

It was recommended to continue to work on the USDA Nutrient Database information. For example, there are currently 4 different ways to get the nutrients for Alaska Pollock. For all whitefish species, the Technical Committee should improve the data on the USDA Nutrient Database.

Group comments. Good job on the salmon story. Good recipes for cod. Continue the trend commercial fishing family support American fisherman is good for the economy. Continue and expand with the whitefish species. Marketing trend: Tell the story. Highlight different fishing families, as with including the whitefish.

Alaska has a good story. Continued global recognition and a push to identify the species with Alaska is an expensive project to fund but necessary for the industry.

2. What specific concerns, trends or marketing needs do you feel should be brought to the ASMI operational committee's for them to consider?

National Accounts: What can ASMI Food service to stop Russia from calling their fish "Alaska Pollock"

Alaska Pollock from Alaska is the only way right now to promote the product accurately. On twice frozen Chinese product. RFM program. Work with a customer to ensure it is Alaska Pollock. In Europe, MSC is the benchmark.

GAP has ideas to submit to ASMI to address these problems. Some buyers are aware that "Alaska Pollock" can come from multiple sources. ASMI can provide an education to buyers in order to differentiate the products. Focus on "value" rather than "price". Alaska is an added value, which can be supported by research.

Recommendation: Technical Committee, Russian and Chinese vs. Alaska Pollock.**RECOMMENDATION: International Committee.**

Recipes for sole and flounder will be effective to generate more interest.

ASMI China could work to understand the system of gray market fish. E.g., under duty-free processing rules, that goes into China market. Want partners to buy, pay duty, and promote it within China.

Promote the gray market fish source.

Contract includes the trade partner has to prove the source.

The certification programs are not enforced. Spot audits can be done, and certificates can be renewed. Unless there is an accusation, there is no pursuit of fraudulent suppliers and labels.

3. Are there any technical issues that need to be addressed by the Technical Committee?

The committee identified major issues to be the website, covered in the following sections.

4. Have you received ASMI e-blasts about our independent FAO-Based Responsible Fisheries Management Certification for Alaska Fisheries? Do you understand how this program works? What is the best way we keep you updated on our progress? – EMAIL.

E-blasts have been received by most committee members and found to be helpful.

Recommendation: ASMI Technical Committee refresh the distribution list to include all committee members.

5. Are you familiar with ASMI's website and our Facebook page How often do you visit either of these sites? Are they useful tools for you? How can we improve them?

Committee members commented that the Facebook page is visited on occasion. The recipes are well received and helpful from a consumer point of view.

The ASMI website is not used overall by the committee due to its disorder. The website is difficult to navigate, even for experienced web-users. Documents are hard to find, there are too many menu options. The current menu options are ill-defined. This leads to user frustration as they are forced to fish around for the information they seek.

From the industry point of view, U-Tube video is an effective tool to educate customers. Sales-wise, the industry does not benefit on as much from the social media promotions (recipes) as the consumer. It was recommended that ASMI consider a stronger U-Tube presence. It would be helpful to emphasize alternative media as is pertains to commercial industry.

Seafood.com broadcasts to u-tube, which in turn encourages more viewing of similar videos. Cook it Frozen is recognized as a good resource. Further work can be done on various social media channels.

6. Do you believe ASMI's efforts to communicate with the industry are effective? If not, how can we improve upon them?

Many suggestions are covered in the above section. E-mail was considered to be the most effective way to communicate with the industry.

7. Do you have any overall industry concerns that should be brought to the Committee Chairs meeting for them to discuss and carry forward to the ASMI Board of Directors?

The Identity is major. Preserve the image of Alaska US Seafood product throughout the supply chain.

Today's Pollock situation is dire. Roe, blocks and surimi are all down. All product forms are in a downward turn across the board and there are many challenges throughout the industry. The upward trend of making fishmeal and fish oil, however profitable, it is not a viable option for ASMI to pursue.

Chair Mr. Merle Knapp opened the floor for final comments from the committee and guests.

MOTION TO ADJOURN

There being no further business, a motion to adjourn was made by Ms. Julie Yeasting, seconded by Ms. Torunn Halhjem. Meeting Adjourned at 10:39am.

Respectfully Submitted,
Gretchen Sagan