



Alaska Seafood Marketing Institute

Alaska Seafood Marketing Institute
International Marketing Committee Meeting
November 29, 2017
Captain Cook Hotel, Anchorage, AK

DRAFT MINUTES

INTRODUCTION

A regular meeting of the Alaska Seafood Marketing Institute (ASMI) International Marketing Committee (IMC) was called to order at 10:00 AM on November 29, 2017, at the Captain Cook in Anchorage, Alaska.

Roll Call

Committee members present:

Michael McGinley, Chairman
Lance Magnuson, Vice Chairman
Bob Janzing
Norman Aoyagi
Shigeki Okano
Merle Knapp
Julie Yeasting
Jeff Stephan
Dean Pugh
Tomi Marsh

Committee members not present:

Duncan Fields

Staff present:

Hannah Lindoff, International Marketing Director
Monica George, International Marketing Coordinator
Alice Ottoson-McKeen, Assistant International Program Coordinator
David McClellan, ASMI Southern Europe
Maria Kraus, ASMI Central Europe
Jens Hombeck, ASMI Central Europe
Bruno Correard, ASMI France
Sarah Johnson, ASMI Northern Europe
Katie Petherbridge, ASMI Northern Europe
Ksenia Gorovaya, ASMI Eastern Europe

Carolina Nascimento, ASMI Brazil
Robin Wang, ASMI China
Sandy Sheh, ASMI China
Keiko Sasaki, ASMI Japan

Approval of Previous Meeting Minutes:

Knapp moved to approve the minutes from the August 9 meeting; Stephan seconded. The motion passed unanimously.

Introduction of Guests/Visitors:

Trevor Murakami, Icicle
Ron Risher, Icicle
David Brindle, Pacific Seafoods
Joe Morelli, SPC
Andy Wink, the McDowell Group
Rasmus Sorenson, American Seafoods
Frank O'Hara III, O'Hara Corporation
Alexa Tonkovich, ASMI Executive Director

Public Comment:

No public comment

Chairman's remarks:

McGinley thanked everyone for coming and reminded the committee that his term was up after the next IMC meeting. McGinley noted that Seattle has lost an entire generation to the tech industry and that there are not many young people joining the seafood industry. McGinley stated that his main takeaways as outgoing chairman are that industry does not sell fishing families enough and that promotions and messaging should focus on the wild aspect of Alaska seafood products. McGinley further commented that it would be helpful to the OMRs if the committee could discuss pricing in a legal way.

Vice Chair's remarks:

Magnuson spoke about the importance of emphasizing FAO 67 to differentiate Alaska seafood products from Russian products and suggested more promotions around the brand "Made in America." Magnuson added that with cod reductions, it was especially important to emphasize it as wild and an American product, and to highlight the dangerous conditions fishermen endure to catch it.

Program Director's report:

Lindoff informed the committee that the International Program had received its Market Access Program (MAP) funding for FY2019, but MAP funds, which are part of the Farm Bill, are up for reauthorization this

year. Lindoff asked committee members to reach out to their representation in Washington DC and encourage them to support the MAP program. Lindoff offered to provide a form letter to those interested.

Lindoff stated that the International Program underwent and passed an audit this past fall, and will be undergoing a federal audit in May.

Lindoff announced that a new International Marketing Coordinator will start on January 2, bringing the International Program to four full-time staff. Lindoff expressed her hope that this will result in more projects completed in-house to offset some loss of funding in marketing budgets. Lindoff told the committee she would be taking time off in March for maternity leave.

Lindoff provided details on the upcoming women's buyers mission to Dutch Harbor at the end of January, as well as a China inbound mission in July and a Cochran mission from the Ukraine to take place sometime in the summer. It was decided with input from the committee that late July or early August would be the best time for the Cochran mission. Wang informed the group that the China mission was interested in pollock and roe as well as new species such as sea cucumber and geoduck.

Lindoff asked if the industry would be interested in joining a Food Export USA mission to Poland in March. The industry expressed great interest and Lindoff agreed to follow up with Food Export USA to get more information and to send out an invitation.

OMR REPORTS

China update and discussion:

Robin Wang provided a market update for China and Hong Kong, gave examples of recent promotions, and outlined market trends. Sandy Sheh spoke about the e-commerce trend in China and ways the industry could capitalize on it.

Janzing asked for what products the China team was seeing the largest growth, in terms of consumption, by consumers. Wang stated there was a demand for more high-end products such as king crab, halibut, and salmon, but that there was also the potential for price point products such as pollock, especially if it was adapted to fit Chinese cuisine.

Aoyagi asked if the Russians were supplying pollock to the Chinese market. Wang responded yes.

Yeasting asked what kind of pollock forms would be the most successful. Wang suggested integrating pollock with Chinese cooking and creating Chinese pollock recipes for Chinese chefs.

Pugh noted that the China team had selected species of limited supply such as scallops and spot prawns as their species with potential and asked if there was a focus on larger volume species as well. Wang responded that yes, there were promotions for larger volume species and that over 40% of the program's promotional activities were to introduce pollock to Chinese consumers.

Okano inquired about the availability of Alaska salmon at supermarkets and restaurants compared to farmed salmon. Wang stated that salmon could be found at retail stores, including Sam's Club and Carrefour, and that in Western restaurants you can find Alaska salmon and king crab.

Yeasting asked why the China program had chosen to promote limited quantity items. Wang responded that those products fit the consumer's tastes and offer an easy introduction to Alaska seafood into the market. He reported the China program has introduced a wider variety of Alaska seafood through promotions and will continue to do so moving forward.

Yeasting asked if there was an opportunity to promote yellowfin sole in China. Wang stated that in his view yellowfin sole was a great opportunity and noted that right now it is being imported as whole round, but that there could be a market for fillets.

Japan update and discussion:

Keiko Sasaki gave a market update, description of recent promotions, and an overview of market trends in Japan.

Aoyagi proposed reviewing the Japanese tagline, reminding the committee that the tagline had been redone a few years ago to remove "wild" because it was not a common word in Japan, and "sustainable" because it did not translate well. Aoyagi stated that now sustainability is being used in other industries such as the automotive industry and suggested it was time to review the tagline and possibly add "sustainable" back in.

Sasaki agreed, clarifying that the current Japanese tagline translates to "Natural taste from Alaska."

Aoyagi added that safety was another big issue in Japan and proposed the tagline "natural, safe, sustainable."

Frank O'Hara asked if the Japanese office was receiving specific requests for sustainability certifications.

Sasaki responded that MSC was gaining popularity, but the MSC logo is not considered important and it would be enough to have a logo that said natural, safe, and sustainable. She continued that traders do request information about sustainability for labels, and sometimes other specific requests come in, ASMI Japan makes stickers for them to put on their packages.

Stephan reminded the group that the original change to the Japanese slogan was a big item of discussion and a departure from the norm, but that it seems to have been the right move.

Knapp commented that globally, the word "responsible" was becoming more popular than sustainable and that responsible fisheries management captures how fishing can influence an entire ecosystem, while sustainable is just one element. Knapp suggested using responsible in the new tagline.

ACTION ITEM: ASMI will test different taglines and report the results to the IMC.

Knapp suggested also testing whether the RFM logo should say “Responsible Fisheries Management” or just “RFM.”

Kimball spoke about the shrinking catches in Japan and the importance and prevalence of seafood products. He recognized opportunities in Japan as tastes shift from traditional dishes with rice to more Western cuisine such as sandwiches, especially for pollock. Kimball urged highlighting the renewable supply of resources from Alaska in promotions and called for promotion of RFM in Japan, emphasizing that it was important the customers understood what RFM meant and that the new RFM logo conveyed the sustainable message.

Yeasting asked if ASMI Japan had RFM materials to distribute and how frequently they were distributed. Sasaki explained that during visits to seafood buyers and chef seminars they explained the Alaska seafood sustainability message and provided materials on RFM, but that they could do more to focus on education for retailers and sales demonstrators.

Lindoff informed the group that no companies in Japan had the COC certification to use the RFM seal.

Aoyagi spoke about the recent agreement between the Japanese and Russian governments to develop Hokkaido Island for industry and warned that this could be a channel for Russian seafood coming into Japan.

McGinley called for a lunch break at 12:06 pm. The meeting was called back to order at 12:48 pm.

EEU Update and discussion

Gorovaya gave a market overview in Eastern Europe, detailed recent Alaska seafood promotions, and described market trends.

McGinley inquired if Gorovaya spoke Ukrainian in Ukraine. Gorovaya said that she had no trouble speaking Russian in Ukraine.

Knapp asked what kind of buyers would be attending the Cochran mission. Gorovaya responded that the group was diverse but the two main categories were purchasing managers and quality control managers and that two retailers, four importers, and one association would be represented on the trip.

Brazil update and discussion

Nascimento provided a market update for Brazil, detailed recent Alaska seafood promotions, and described market trends.

Magnuson asked if chemically treated pollock from China was still in the market in Brazil. Nascimento responded that yes, it was still available and that retailers continue to buy it because of the low price.

SEU update and discussion

McClellan gave a Southern European market update, detailed recent promotional activities, and outlined market trends.

Magnuson complimented the booth structure at Conxemar and voiced his support for the food truck. Knapp echoed this sentiment, stating that the truck was valuable because it stopped traffic.

Knapp stated that the issue with bagged IQF pollock fillets, a product McClellan saw a market for in Southern Europe, was that the size was unreliable and some years they were too small.

Okano asked if there was farmed coho from Chile available in Southern Europe. McClellan stated there was not a lot and that the cheaper fillets were coming from China.

NEU update and discussion

Johnson gave a market update, described recent promotional activities, and outlined market trends.

McGinley asked about a restaurant in Johnsons' presentation called Trawler Trash. Johnson clarified that it was a restaurant that used underutilized species. Knapp suggested promoting skates at this restaurant.

Okano inquired about the sales numbers for sockeye salmon. Johnson committed to checking the stats and reporting back.

McClellan asked if the smoked salmon in the UK was being smoked in the US or the UK. Petherbridge responded that it was smoked in the UK.

Okano noted there was growth in the sockeye smoking market in Germany and France but not in the United Kingdom.

McGinley inquired if refresh from the US was still a growth topic. Johnson answered yes, and that chum and sockeye salmon were being refreshed and sold in Northern European markets.

Knapp asked if ASMI Northern Europe had an ASMI approved statement about social responsibility. Johnson replied that they did not and that they were still trying to figure out how to address the issue. Knapp urged any messaging on social responsibility to be coordinated with the IMC and the ASMI board.

McGinley expressed concern that social audits asked about employee hours and often seafood employees work long hours. Johnson agreed that the audits were not "one size fits all" but stated her belief that it was important for the seafood industry to be transparent to avoid the appearance of there being something to hide.

WEU update and discussion

Bruno Correard spoke about the market conditions in Western Europe, recent promotions, and market trends.

Yeasting asked what the volume potential was for black cod, sockeye, and king crab - if French consumers were willing to pay the prices for those high-value products. Correard stated there had been an increase in the volume of sockeye in the French market and that there was a demand. Black cod, he said, was very new and not popular yet. Yeasting asked if it was an issue of size with black cod and

Correard responded that right now the product was just being introduced in high-end restaurants, mostly on the French Riviera.

Aoyagi asked if there was any advantage to importing Polish products to France. Correard said that the only distributors buying from Poland were German and that the volume sold in France was from French smokers.

O'Hara stated that he had heard from customers that the French market was important for flatfish and asked if flatfish was easy to find in France. Correard said he would look into it.

CEU update and discussion

Hombeck provided an overview of the central European markets, including Germany and Poland, the leading reprocessing market. Kraus presented recent and upcoming promotions and Hombeck discussed market trends.

McGinley asked if an upcoming promotion aimed at runners would have an emphasis on canned salmon. Hombeck replied that canned salmon had not worked well in the Central European markets so the focus was more on pollock and surimi, but if the campaign was successful, there was potential to expand it to canned salmon.

Okano asked what had been done with salmon roe. Hombeck responded that the market was small. Kraus added that it is marketed as an Alaska product in the market and was included in retail promotions with smoked salmon. McGinley noted that Germany was a good market for caviar and asked that it be given some attention in the long run.

ACTION ITEM: CEU to include salmon roe in future promotions

Knapp reminded the group that Germany is the second largest market for Alaska pollock and that there was a campaign to use FAO 67 to differentiate Alaska pollock, which GAPP was working on. Knapp requested feedback on how other Alaska groups could best coordinate with ASMI to promote pollock in the region and make sure work was not duplicated. Knapp asked if the ASMI team felt well informed about what GAPP specifically was going in the region.

Kraus stated that she had met with GAPP in Seattle and made a plan for the next year. She agreed with Knapp that it was important to remain in sync. Kraus committed to working with GAPP's PR agency in Germany.

Knapp expressed his hope that GAPP could support the ASMI's promotions at doctors' offices.

Knapp asked what feedback the Central Europe team had received on consumer understanding of FAO 67. Kraus described the effort as ongoing and said that though progress had been made, there was still more work to do to educate consumers. Hombeck stated that people in Germany have become more aware of the FAO zones as traceability becomes more popular.

Pugh asked if FAO 67 would be a focus of the bloggers planning to work with ASMI CEU. Hombeck stated the message would be communicated through all channels and recognized the importance of online sources for educating younger generations.

Trade shows discussion

McGinley suggested moving the discussion of trade shows to the next IMC meeting. The committee agreed.

Global Food Aid Presentation

ASMI Global Food Aid Program director Bruce Schactler described the work his program was doing to promote herring fillets. Schactler informed the committee that they had companies producing herring fillets and stated that he saw great opportunity to promote herring fillets in international markets.

McGinley asked if fillets could be available for trade shows. Schactler responded that fillets were available except in the spring.

Knapp inquired what the pack styles were for the fillets. Schactler responded box frozen fillets, not shatter packed.

Aoyagi highlighted freight as a key obstacle to exporting herring and stated his hope that the acquisition of APL by a European shipping company would mean a through rate from Bristol Bay to Dutch Harbor to Europe.

McGinley suggested discussing herring fillets at the next IMC meeting. The committee agreed.

Questions for the operational committees

1. What major challenges do you see the ASMI program you guide facing in the coming years? (short-term and long-term) Please specify by market, species, or general programmatic concern.
 - Duty rates and non-tariff barriers blocking access to certain markets.
 - Increased demand from customers for social and traceability audits that do not match Alaska norms and values.
 - The changing demographics in traditional markets are causing problems for some species and forms.
 - China competition in some markets includes soaking and overglazing produce creating price competition with inferior quality.
 - Tagline in Japan should be updated.

2. What strengths or opportunities have you identified in the ASMI program you guide?
 - Creative promotion ideas in several markets
 - Refresh markets continue to grow and should be promoted.
 - Single frozen fillets and portions are being requested in several markets.
 - Our circuit of International Trade Shows, Outbound Trade Missions and Inbound Missions are balanced, well attended and supported.

- We have strength in an excellent International Marketing Staff and group of OMR's.
3. Taking into account comments from the species committees, are there any specific actions you would recommend for the ASMI program you guide? (species committee comments and recommendations will be provided in writing at the conclusion of their respective meetings)
- Whitefish committee's desire to adopt FAO 67 as an origin identifier.
 - Whitefish committee would like to see increased promotion of flatfish and pollock in China.
 - Cross promotion of species.
 - Salmon Committee wants continued promotion focus on salmon.
4. Are there any specific questions pertaining to your program you would like the ASMI Board to address? Or any specific actions you would like them to consider? If not, write N/A.
- A united approach to social audits that reflect the norms and values of Alaska.
 - OMR's would like more real-time information on the state of each fishery.

Next meeting date

It was decided the next meeting would be held on **Thursday, January 18 in Seattle.**

Adjourn

Pugh moved adjourn the meeting. Yeasting seconded. The meeting adjourned at 4:45 pm.