



Alaska Seafood Marketing Institute

Alaska Seafood Marketing Institute
International Marketing Committee Meeting
October 9, 2019
Hotel Captain Cook
Anchorage, Alaska
DRAFT MINUTES

INTRODUCTION

A regular meeting of the Alaska Seafood Marketing Institute (ASMI) International Marketing Committee (IMC) was called to order at 1 pm on October 9, 2019 in Anchorage, Alaska.

ROLL CALL

Lance Magnuson, Chair
Julie Yeasting, Vice Chair
Michael McGinley
Norman Aoyagi
Shigeki Okano
Merle Knapp
Jeff Stephan
Dean Pugh
Phil Young
Tomi Marsh
Bob Barnett
Kevin Adams

Committee members not present:

Rasmus Soerensen (comments provided)
Bob Janzing

Staff present:

Hannah Lindoff, International Marketing Director
Alysha Guthrie, Assistant International Program Coordinator
Monica George, International Marketing Specialist
Alice Ottoson-McKeen, International Marketing Coordinator
Nicole Stangeland, International Grants and Marketing Coordinator
Debby Sin
Robin Wang
Ksenia Gorovaya
Sarah Johnson
Jose Madeira
Carolina Nascimento

Katie Petherbridge
Tim Welsh
Aya Fukamachi
Akiko Yakata
Dee Richmond
Daeng Veeraprechanon

APPROVAL OF PREVIOUS MEETING MINUTES

Stephan moved to approve the minutes from the IMC meeting on June 10, 2019; McGinley seconded. The motion passed unanimously.

APPROVAL OF AGENDA

Yeasting moved to approve the agenda; Stephan seconded. The motion passed unanimously.

ANNOUNCEMENTS

No announcements.

INTRODUCTION OF GUESTS/VISITORS

Duncan Fields
Frank O'Hara
Susan Marks
William Sullivan
Julia Ying
Joel Peterson

PUBLIC COMMENT

No public comment.

CHAIR REPORT/COMMENTS

Magnuson was pleased with the showing at the meetings, particularly with OMR attendance. He mentioned the need to schedule the meeting at a better time next year for others to be able to attend as well. He was pleased to introduce the new reps for Southeast Asia.

Magnuson was happy to see the pet food discussion moving forward. Magnuson said pet food was a great use for seafood byproducts and that it added value. He felt it made sense as an industry to explore what ASMI could do in relation to pet food.

VICE CHAIR REPORT/COMMENTS

Yeasting shared how she appreciated the ATP funds, commenting that they would help diversify away from China and Japan.

She thanked the OMRs for developing the species strategies and thanked the ASMI staff for their presentations during the general session commenting that they were fun, exciting, and robust. She said it was nice to focus on social media as a marketing agency.

PROGRAM DIRECTOR REPORT

Lindoff thanked everyone for being at the meeting. She discussed the goal of having everyone at the table and ensuring ASMI and the industry were aligned. She said she looked forward to working through the species strategies as a group. She thanked the IMC and staff for all the hard work over the last year and noted it had been a big year.

PET FOOD ANALYSIS

At the previous IMC meeting, the committee asked the OMRs to gather information about the pet food markets in their regions and provide a recommendation for whether ASMI should get involved in the pet food space. Each OMR prepared a Strengths Weaknesses Opportunities and Threats (SWOT) analysis, which were synthesized into one for the IMC to review.

The Japan program did not recommend ASMI pursue pet food in the Japanese market. They said that in Japan, it is common practice to feed human food to pets and that pet food penetration is high. They noted there are global and domestic players (P&G and Mars) working with pet food. They said it was cheaper for domestic product and highly competitive. Ultimately, considering both quality and costs, the representatives from Japan did not recommend focusing on pet food.

The China representatives felt China had potential in the pet food space, specifically because of the growing number of pet owners. They said the market was estimated to grow 27% annually. They explained people have pets as a replacement for babies due to the one child policy and white-collar workers are getting pets for comfort. They shared the average spending on pet food had increased 15%. They said there was a sentiment in mainland China around food safety issues; pets need to eat healthy too and Alaska seafood is high quality and meets that need. They noted that Hong Kong was a large pet market (mostly cats) and there was an annual pet food show there.

Sin commented that ecommerce is strong in China and there is potential for the product to be introduced via ecommerce initially, to test the market. She said Chinese pet owners are open to high quality products so the messaging should emphasize and focus on the quality of pet food. Wild and natural messaging will be effective, as well.

Yeasting stated that because reprocessed products in China are not taxed, the byproducts can be utilized for pet food. Magnuson added that this could help with the cost of processing and the negotiations on raw material. Knapp continued that utilizing the byproduct could increase the round price of the fish, changing the valuation of the resource, as is already done with fishmeal and fish oil with pollock.

McGinley stated that salmon has a higher value in the pet food market, but the prices were too low for the cost of freight.

Welsh of Southeast Asia felt pet food could be a good initiative for the industry, stating that it was a good value. He was curious about the value of salmon entrails (where is the real value) and how much could realistically be brought into the market.

The representatives for South America said that the South America pet food market was growing. They said pets are the new kids. They felt the major competition would be product from Peru and Chile, due to lower cost products. Nascimento stated there is opportunity with the market growth of 15-20% every year, but they need to understand what the goal is. They did not recommend using the same logo as Alaska Seafood for human consumption. Madeira stated that a market study would be beneficial.

General Discussion

A discussion around branding occurred with many in support of a separate logo than the one that is currently in place. Members expressed concern that it would be harmful to the ASMI brand to use the same logo for “fish guts” as products for human consumption. However, it was also stated that the demand for pet food was growing, and that the financial impacts for the industry needed to be considered before there was considerable focus in the pet food space.

Welsh noted that the viability of pet food relies on the final retail value. He acknowledged there would be a return, but questioned if it would be significant enough to be worth the investment. Knapp commented that he had been selling fishmeal for 15 years. He stated pet food was an exercise in food chemistry - that the value was in protein 65% or higher as it had a higher return.

Aoyagi stated that pet food is topped with fish because it is too expensive to have a 100% fish product.

Lindoff shared that ASMI Technical Director, Michael Kohan attended a US pet food show, and was planning an inbound mission next summer for side stream Alaska seafood products. She said the mission would bring buyers to see what Alaska had to offer in terms of side stream products. Lindoff further mentioned that ASMI can help by producing fact sheets and buyer’s guides for pet food. She felt ASMI could inch forward into the pet food space, without investing in a logo program.

Knapp commented that a high level of understanding from the trade association of pet food would be beneficial to understand what transpires in the business. He recommended ASMI go to their convention and get information on their activities.

Yeasting asked if the committee would like to request funds for a study and Lindoff noted that ATP funds can be used for a study only if the focus is on international.

Magnuson asked to have the technical program continue their efforts and recommended that ASMI reach out to the trade associations, and do further research if needed.

Action item: ASMI will reach out to pet food trade associations and continue to gather information.

Stephan noted that someone should start addressing the branding situation for both domestic and international markets stating that ASMI needed something that would not undermine the brand with pet food vs. human food. He said using the chain of custody to define the source of the fish, traceability, sustainability, and no waste would be good angles to approach branding.

Fukamachi noted that the Association of American Feed Control Officials (AAFCO) set guidelines for pet food.

TRADE MISSION DISCUSSION

South America

Nascimento proposed a trade mission to Peru and noted the reprocessing capabilities. Peru has a consolidated processing industry with the infrastructure in place, but no steady supply of fish to process. There are over 700 plants, most of them are dedicated to fish meal; however, over 100 are available to process for human consumption. Nascimento noted that the processing facilities are well-developed with state of the art equipment. With zero duty on seafood coming in, there is potential for products to be reprocessed in Peru and then re-exported to the US, Asia, Europe, and other South America countries.

Nascimento recommended that the mission take place the first week of March. The primary goal would be to see production lines in the state of Piura. The trip would be before Seafood Expo North America in Boston so there would be an opportunity to follow-up with Peruvian trade because they would also be attending Seafood Expo North America.

There was further discussion around the free trade agreement. Madeira noted that for raw material, Peru has 19 free trade agreements in place.

The issue of import requirements was discussed. Nascimento stated that ASMI South America was working closely with Peruvian authorities and the FAS office in Peru. Exports to Peru require a health certificate and certificate of origin. Nascimento further stated that ASMI South America is in touch with the Peruvian regulatory office and working to get them the additional information and documentation that requested.

By show of hands, eight companies in the room were interested in participating in this trade mission. Lindoff stated that ASMI will send out an invite and cap the mission at ten participants.

Nascimento described Peru as a niche market, stating that restaurants are excited to have Alaska seafood there. They are ultimately wanting to make more products available in Brazil. She stated that labor is not cheap in Brazil, so the question becomes how can we get more products available in the market.

Southeast Asia

Welsh presented two potential dates for an ASMI trade mission to Southeast Asia. His first suggestion was to have to have strong industry and ASMI presence at the Hotel and Food show in Singapore in March and conduct a trade mission after. The second was to do a trade mission before or after the THAIFEX food show at the end of May.

Lindoff asked if September was an option, but Welsh said September was not ideal since there are no regional shows during that time, it is the rainy season, and chefs are busy at smaller shows.

Welsh said that regardless of a mission to the region, ASMI Southeast Asia would be at the Singapore show and industry was welcome to join. Magnuson added that FAS wants to see success stories and industry numbers at shows and that the Singapore show could be an opportunity to find partners in Southeast Asia and conduct meetings.

There was a conversation about the dates of different shows. Discussion regarding Brussels and Boston made it clear that March and April would be a busy couple of months.

There was some discussion on a trade mission vs. trade show. Lindoff noted that it is tricky with the MAP regulations, but that expenses for the show could come out of matched funds. Lindoff agreed to look into to what ATP can fund.

The committee decided the best time for a Southeast Asia trade mission would be surrounding the THAIFEX food show at the end of May. There was support from the committee to do it in the first week of June, right after the show.

Invitations will be sent.

MEXICO STRATEGY

Stangeland proposed the approach for ASMI efforts in Mexico. ASMI will take an opportunistic approach with its efforts in Mexico. ASMI will place Mexico within the South America program from a grant perspective in order to be able to take advantage of opportunities that come our way. The goal is not to dilute any program or diminish current program budgets, but to instead be able to take action on industry requests or opportunities that come up. Stangeland stated that the management of these activities will be a joint effort between ASMI South America and ASMI HQ. Stangeland further noted that Spanish language materials are already being created for the South America region and these can be repurposed and used in Mexico.

Stangeland shared that ASMI South America OMRs will be attending an FAS trade mission to Mexico City in November and will have the opportunity to meet with authorities, network with local industry and receive market information. Further, ASMI South America will be securing the Alaska Seafood Mexico URL, along with URLs for Peru, Ecuador, Colombia, and other South American countries as seen fit.

Pugh asked if there is a way to get a schematic for how to do/conduct business in Mexico. He mentioned that the license to do business in Mexico was \$10k and stated that importers in Mexico struggle with this.

Stangeland stated that the trade mission to Mexico City in November will allow ASMI to meet with FAS and regulatory officials in order to gain a better understanding of doing business in Mexico. Nascimento and Madeira will be providing a trip recap when they return and will be sharing specific industry concerns with FAS Mexico.

Stephen mentioned that there was a show in Guadalajara in 2012 that was well attended and interest in Alaska seafood was high. Lindoff stated that part of the discussion was to gauge the committee's interest in Mexico. She said ASMI does not currently have a rep on the ground, but by adding Mexico to South America, ASMI could see what opportunities present themselves.

Magnuson stated that he is aware of salted cod entering the Mexico market and that he sees opportunity there.

Aoyagi mentioned (as far as trade missions) that it is time to visit Japan. He stated that things are changing and the last time ASMI hosted a trade mission to Japan was 10 years ago. Akiko stated that August is a good time to go. Knapp commented that the visit should include visits to processors and a market visit.

Action Item: ASMI will plan a trade mission to Japan in the fall of 2020.

JAPAN STRATEGY

The representatives from Japan introduced their plan to target mothers and children, specifically the mothers of junior athletes. They explained the focus on junior athletes was an effort to capitalize on the excitement surrounding the 2020 Olympics. As part of this push, the Japan program is working on recipe development for junior athlete children. The recipes will promote the health benefits of pollock, cod, and salmon.

Yakata shared that the Japan program would be conducting a consumer survey to understand perception of three Alaska species: Atka mackerel, rockfish and Pacific cod. Some specific survey questions include: How do you choose a species? What kind of POS material will attract you? What kind of recipes do you want to see? What would entice you to pay more for a product? The consumer survey will be conducted next month and the Japanese representatives promised to share the results with the committee. Yakata said if it works well, they would conduct additional surveys on other species such as pollock roe or herring roe. She explained the main purpose of the surveys was to find out how to best market certain species.

Yeasting asked what the favorite platform was for mommy bloggers. Fukamachi replied Instagram was preferred. She added that October 18th marked the start of a one month long Alaska seafood media campaign targeted towards junior athlete moms. The promotion included a collaboration with a famous mommy blogger who developed Alaska seafood recipes and would be posting them on her Instagram.

Risher asked if there had been issues with labeling Alaska vs Russian product in Japan. Yakata said they asked people to mention Alaska or USA, but it had proven to be difficult with pollock. She added that pollock roe had been the biggest challenge because the producers tended to mix product from Alaska and Russia. However, Yakata informed the committee that one of the largest surimi producers in Japan was interested in working with Alaska. The committee urged the Japan team to continue their work to reach out to pollock roe producers in Hakata.

Frank O'Hara stated that Japan is the largest buyer of sole from China and that Japan is a huge consumer of sole at institutions and hospitals. For Atka mackerel he was hopeful the mackerel being sent to Shiogama would be easier to trace back to Alaska.

Aoyagi noted that country of origin labels are required for seafood products, but not the state, so not "Alaska." He urged a strong campaign to label products as from Alaska utilizing the stickers ASMI can provide. Yakata noted that ASMI displays the Alaska seafood logo during retail promotions.

Yakata reiterated that it is important to maintain the relationships with seafood trade members in Japan. Magnuson agreed and urged industry to direct customers and contacts to ASMI OMRs and staff as a resource.

Lindoff read comments Soerensen had submitted via email prior to the meeting.

Soerensen: The roe industry in Japan has been struggling for years now and are therefore very open to receiving outside help. This is the moment for ASMI to step in and make a difference in this industry.

We have heard from several companies operating in this sector that they are ready to promote the origin of the product, but they are not sure how. This is a big opportunity and important for ASMI to be part

of. However, the key is they do not know how to go about this and therefore are in need of assistance. Education, storytelling, and most importantly, help with materials talking about product/quality/origin.

The trend towards health products is on trend and is a good opportunity as well.

Surimi: the industry is enjoying some success now after quite a few years of stagnating sales. The recent success of kanikama sales needs to be a case study on how to re-vitalize the surimi industry in Japan. Kanikama sales has been record high in Japan since a TV program last September told the story of how healthy kanikama is especially for people over the age of 40. We should learn from this and apply the same kind of messaging to other surimi based products. And of course associate WAP surimi to that very same messaging.

The Tokyo 2020 games is truly a massive opportunity to get this message out.

Stay close to industry – help them with the messaging!

Fillets: the WAP fillets market in Japan is still young but growing fast. I think what is laid out in the brief is good.

Magnuson adjourned the meeting for lunch at 11:49. The meeting was called back to order at 1 pm.

CHINA STRATEGY

Wang stated that pollock is available at supermarkets in steak, fillet, and fish stick form. He said it is appealing to consumers because of the price and texture. ASMI China is working closely with the HRI and the retail sectors to promote pollock; they are focusing on e-commerce as well.

Sablefish is one of the most popular seafood items for Chinese consumers due to texture and oil content. There is a lot of competition from Chile and France, but Alaska sablefish is still well received by the mainland China consumers.

Yellowfin sole is also popular because of the price and texture.

Sea cucumber is popular in China because it is believed to be beneficial to health.

ASMI China is working to promote herring roe, and Wang noted that the crunch of the product is appealing to Chinese consumers. They plan to continue to promote herring roe in the Chinese market.

Wang stated salmon roe is selling in the retail markets because of influence from Japan.

Wang shared that especially in mainland China, the trade war presented challenges. Wang said traders still have confidence in US products, and understand that the problem is political. He said the plan for ASMI China and Hong Kong was to keep exposure in both markets and maintain relationships with traders.

Wang shared that ASMI China's plan was to work on the less expensive market species including Dungeness crab and herring roe. He said the program would work on promotions and training and do more ads to raise awareness of Alaska seafood in the market. He noted that Hong Kong is the 4th largest importer of US products. He added that Hong Kong could be a gateway to get products into mainland China.

Wang emphasized the opportunity for herring roe stating that Chinese people accept it from Japan and they like the crunch and flavor.

Okano questioned if China was able to import frozen salmon roe from Russia. Risher expanded on that, saying the roe can be processed in another country, such as Japan, and brought into China. Wang agreed, stating the Japan tariff is 5-8% so it is less than the US.

Wang continued stating that the 35% tax is going to be the issue, but more people will be eating salmon roe so there will be more opportunity. Chinese importers want to buy Russian product because there is no tax, but Russia stopped production so there is now more opportunity for Alaska origin.

Wang said that for the Chinese consumer, they are not price sensitive because they do not have a gauge for the price of roe.

Yeasting commented that with the swine fever issue, Alaska seafood provides a good alternate source of protein. She said certain products are still not expensive even with the tariffs.

Wang stated that in Hong Kong rockfish go for \$200 for live fish. He felt there was opportunity to sell whole fish not H&G at market price. He said oil content was important as well as the texture of the fish.

O'Hara commented that rockfish can cater to restaurants, stating that the most realistic market is the Japanese restaurants in China. He asked ASMI to add mackerel to its promotions in China.

Soerensen stated, via Lindoff, that *despite the tariff situation – which of course complicates potential in this market – China is and will continue to be the future market for the US WAP industry. We should not hold back with our promotional activities just because of the short term trade issues between the US and China.*

Surimi is the fastest growing product for the US industry in China – and the growth has actually continued despite severe import duties. Worth noting is that most of the WAP surimi sold into China nowadays stays in the China market. This is relatively new as just a couple of years ago, most of the surimi imported was for crabstick production for Europe. That is no longer the case.

Surimi is mainly used for sausage production in China. Sausage manufacturers are keen on making a quality product as these products are mainly purchased by moms who pack them as snacks for their kids. Focus on quality, purity, and of course origin should be the goal.

The pollock fillet market is still very young in China. The challenge is of course that WAP blocks (and fillets) are available at much lower prices from the processing industry in Dalian and Qingdao. Quality needs to be the top message here. No additives, Alaska origin and unadulterated quality. He shared that the market will take off, it just needs a little push. WAP is perfect for hot pot restaurants etc. – but that trade education is key. More chef's seminars, more (square portion based) recipes centered around Chinese taste preferences should be developed.

Wang stated that ASMI China and Hong Kong are working closely with the HRI sector and focusing on increased education to young chefs. The young chefs then begin careers with casinos, hotels, and restaurants. Wang shared that one casino staff canteen serves over 10k meals per day.

Wang noted that the concern in China is that the pork market is decreasing so the price is going up. He stated that overall, red meat consumption is down. As far as seafood, Chinese consumption of seafood

is high, probably second in consumption after Japan. He concluded that the overall Chinese consumer sentiment is that red meat is bad for health, but seafood is viewed as a positive.

Johnson commented there are plant-based trends in the Northern Europe market that are mostly climate change driven. They are in need of talking points for why Seafood complements a plant-based diet.

Yeasting suggested to continue with RFM, wild, managed sustainably, natural messaging.

SOUTHEAST ASIA STRATEGY

Welsh commented on a recent trip he had taken to Hong Kong for the Food and Hotel Asia show. He stated that it was a learning experience going to Hong Kong to see the foods and how they were presented. He said the ATO market tour was excellent and thanked ASMI China for their help organizing the trip.

Welsh informed the committee that the ASMI Southeast Asia Facebook page is live and the website will be up and running soon. He said his team had conducted trade service meetings in Vietnam and Singapore to meet people on the retail and foodservice side. He continued that they are working with restaurants focusing on pink salmon, yellowfin sole, etc, and doing a half day technical seminar with new menu items for quick service and family style restaurants. He added that Southeast Asia will be starting retail promotions in Singapore in December.

Soerensen: Overall good approach. These markets are also relatively new for our species, but business has developed fast. The focus should not be on chefs along etc. and that the food industry in these countries needs education on WAP as well.

Yeasting asked if there was any asks for industry or a need for educational materials.

Welsh said information on trade flows, trade relationships, and any other suggestions for how to develop the market were helpful. He continued that industry presence is vital. Welsh stated the Southeast Asia program was translating materials to Thai and moving on from there. He said they had found a surprising amount of interest from Indonesia. They are currently trying to figure out what makes sense and what their capacity is to use ASMI materials.

EASTERN EUROPE STRATEGY

Gorovaya stated that currently, product origin is not usually branded in the region and the EEU program is working with importers to provide support.

Gorovaya said the EEU program was utilizing ATP money to conduct consumer research to find out which messaging works in the Ukraine market. She said her team had been made aware that the word “wild” requires an educational component for this market – as the understanding is that “wild” means crazy or having lost their mind. She said “wild” needed context, such as images of a wild bear or indigenous people.

Gorovaya shared that the word sustainable is also misunderstood in the Ukraine market, and requires an educational component as well. She said “natural” and “nutrition” work well in this market.

Gorovaya felt the Ukraine website would be able to tell corrected story and the right angle. She said The research proved to be important for nutrition for kids and that the messages about how seafood is easily digested and a great substitute to poultry resonated best. She continued that in general, the EEU program is emphasizing functional nutrition: a term that is on trend.

Gorovaya moved on to the salmon roe market in the Ukraine. She explained that Alaska salmon roe does not compete with Russian salmon roe in Ukraine because of the Russia embargo. Gorovaya mentioned that there is also artificial roe, which is five times less expensive, and it is becoming harder to identify the differences between authentic and artificial. They are working on a communication campaign, articles, and online portals, with “buy from legal” messaging.

Yeasting commented that Japanese consumers also believed ‘wild’ to mean “crazy” and so ASMI Japan created a tag line that would work for the Japanese language; she suggested the EEU program recommend a tagline based on their market research. Yakata shared that the tagline the Japan program came up with translated to “natural, deliciousness from Alaska, sustainable seafood.”

Gorovaya shared that they will narrow down to three taglines using the research and present options to the IMC in February.

Soerensen stated that overall this is a good approach and to keep up the good work. He pointed out that H/G is disappearing as a product form from Alaska, so the development and messaging work should be centered around more value added products (fillets and blocks).

As mentioned under the Brazil comments, Soerensen encourages “own the square” with regards to pollock as the block cut portion is the biggest opportunity.

With regards to surimi in the EEU market, he shared that it is excellent and to keep up the good work.

NORTHERN EUROPE STRATEGY

Johnson stated that the NEU program is focusing on two species: pollock and salmon. Johnson reminded the committee of the trade mission in February 2019 that brought trade members from Denmark and the UK to Dutch Harbor. She said following the mission, the participants increased their purchases of single frozen wild Alaska pollock.

Johnson said the NEU program planned to do consumer research to gauge perception of “whitefish” versus pollock.

Johnson touched on a few recent promotions from the NEU program. She said they had worked with influencers for budget friendly meals and recipe development and ran a health campaign for swimming passes to encourage healthy and fitness. Additionally, the NEU program had a promotion in Sweden with an Alaska cod hot dog, “Hot Cod,” that was successful.

Johnson said there had been a 10% increase in consumption of Alaska pollock. Johnson continued that salmon consumption is flat. Canned salmon is down 54% in the last three years. However, there is increased interest in canned salmon promotions but there is not adequate supply.

Johnson described a campaign around the Rugby World Cup in Tokyo aimed at amateur female players. She said they were working with influencers and nutritionists to share messaging such as “fuel your fitness” and “dense protein.”

Johnson shared that from a retail standpoint, Waitrose carries premium canned and smoked products. She said the NEU program was planning canned promotions and influencer education in the Netherlands for salmon week. She said the goal was for consumers to understand that Alaska seafood is the perfect protein for brunch, lunch, dinner and snacks. The team also worked at the IFA trade event and received artisanal leads.

Johnson cited that the biggest challenge in the NEU market is a no-deal Brexit. There is significant stockpiling of product and restaurants have six-week contingency plans in place. Currency is unstable and it is estimated that the currency could drop another 10%.

Public comment from Joel Peterson asked about the strategy for Alaska product. He expressed concern over losing market share, stating it was not about growing their market share, but trying to maintain. He said market share was currently declining and asked if there was anything that could be done.

Johnson stated that it is a pricing issue and they haven't been able to get anything into the market. She said it is difficult to market premium products because the price differentiation is higher. Johnson promised to follow up and provide additional information.

Johnson stated that sockeye is typically sold chilled in the NEU market. It is carried at Waitrose, but is not mainstream because of the price. They are looking at product innovation to utilize extra product in a nontraditional way.

McGinley noted that the salmon committee had suggested increasing refreshed sockeye promotions.

Phil stated that there is not enough canned salmon to supply everyone; he questioned if they are down to one major supplier, stating that there are two brands that they support.

Petherbridge stated they will investigate LUF for 51% because right now UK gets 36-45% and cannot get higher. She also mentioned Viciunai, suggesting to maybe involve David from SEU to present.

Soerensen stated that overall, he likes their approach. He thinks that especially in the UK market, WAP has a bleak reputation mainly because the market used to be dominated by cheaper and lower quality product from China, but also because it is sometimes mistaken for a North Atlantic pollock. Focus on Alaska origin is key in this market.

He continued that for surimi, the UK market is growing and more WAP therefore makes it into the market. More discussions with the two main suppliers to this market, Viciunai and LUF Poland should be prioritized.

SOUTH AMERICA STRATEGY

Nascimento stated that trade servicing is a main focus: processors, government, chefs. They are building a good network and raising awareness of Alaska. She said the market is growing 3-4% every year.

Brazil has seen a shift since 2016. The competition and market for salting is on hold. There are three main concerns with the pollock market: pollock's reputation, square portion form is not known yet among consumers and trade, and the number of players working with the product. Nascimento stated education was a key component in combatting this and shared that they do hands on workshops and provide information on nutrition and sustainability.

Nascimento stated the Brazil program is partnering with retail chains, conducting educational seminars, and working with the private sector to sponsor “seafood week,” which has the mission of increasing consumption. One thing they have focused on is pollock at the foodservice level. For salmon, they are developing new materials (recipes, photos, videos), and focus on Alaska origin.

Nascimento shared that pollock in block form is 70g, whereas retail is in four 100 gram pieces in packaging.

Nascimento noted the challenge of getting Alaska origin called out on cod. One challenge they have is that the other brand, the “original” product in this market, brands itself as the only genuine cod.

McGinley asked if there are any consumer trends away from salted, Nascimento replied that they are trending away from salted in Brazil, but not in Portugal.

Magnuson noted issues with producing H&G Keta and asked what they process in Peru. Nascimento replied that Peru processes Mahi Mahi, giant squid, shrimp, anchovies, hake, and other local species.

Soerensen stated that they are great to start with education piece and the focus should be on: natural, origin, and emphasize the clear differentiation from Chinese product.

Soerensen noted that he likes the approach Jose and Carolina have taken in Brazil. They have started by educating consumers and trade what real Alaska pollock is through developing a website, workshops, online events and cooking classes, and of course a beautiful recipe book. Soerensen shared that he thinks this is absolutely crucial, especially in a market that knows WAP only from the cheap imported product from China. Education is everything. And within that education component, the focus should be on the following messages: Natural (chem free); Frozen at the source (once frozen); Product of Alaska (obviously shouting out the Alaska message is key)

He further shared that clear differentiation from China is everything in this market. Soerensen further shared that he thinks it is important for ASMI South America to “own the square” in regards to pollock blocks. He noted that the ASMI South America report talks about potentially processing H/G in Brazil and Peru, but thinks this should be a backburner focus as H/G production in Alaska will be very minimal. Focus should remain on the fillet block in South America. Soerensen shared his desire to learn more and interest in the opportunity for reprocessing in Peru

SOUTHERN EUROPE STRATEGY

With David McClellan unable to attend, Lindoff briefly described the activities in the region. McClellan’s strategy for the region focused on chef demos, education, social media, and tradeshow.

O’Hara commented that SEU and Germany were huge redfish markets. He stated that they have interest in selling into these markets and want to do redfish promotions, as well.

Soerensen: This market has up until recently been relatively unknown territory for Alaska pollock – but that is changing now. The No 1 topic discussed at this year’s Conxemar was Alaska pollock and it is clear that the seafood industry in general in Spain really has their eye’s set on this wonderful species. Soerensen noted that now is the time for David and his team to get the message out there. He further cited that WAP is still relatively unknown in these parts of the world, so trade education is essential.

CENTRAL EUROPE STRATEGY

Lindoff provided an overview of the strategy for Central Europe, as the representatives from the region were unable to attend. Lindoff stated that Central Europe is focused on smokers for salmon and Central Europe is a home for Alaska pollock.

There was discussion about FAO67 with IUU and the Chain of Custody. Industry will get back to ASMI regarding the labeling and use of the FAO fishing areas.

Soerensen shared that there is a big opportunity to make a difference in these markets because the retailers are now interested in telling the seafood story. Consumers want to know where their products come from, how they are made and even how they got to market – all with focus on the least impact on the environment and the planet. Soerensen pointed out that wild Alaska pollock wins on all fronts and there is a need to get the message out. He mentioned that Alaska pollock is the super protein if you consider what consumers want and care about these days.

Soerensen continued, noting that GAPP's campaign in Germany to focus on FAO 67 needs to be refined. This past B-season fleets in Alaska mainly operated in FAO 61 which used to, in the public eye, be considered Russian waters. The FAO areas do not follow international borders, but follow longitudes and latitudes, which means that when up north to the west, our vessels are actually in area 61. Therefore, the way ASMI and GAPP communicates needs to be re-considered.

Soerensen mentioned that Pickenpack and Transgourmet are potential partners, Pickenpack is a private label producer and therefore they often have to follow what their customers, the retailers, dictate when it comes to pack messaging. Transgourmet is a foodservice distributor and they do not have their own production. Soerensen stated that he thinks it is important to work with brands and processors with their own products, as they tend to be in much more control of their own messaging. In this context and considering the rising consumer demand for more transparency, close contact and cooperation with the retailers directly should be a priority.

Soerensen shared that ASMI CEU had a good approach to surimi. WAP is gaining more market share in the surimi industry and some producers of surimi seafood now have products that contain only WAP. Soerensen encouraged ASMI to find those products, with help from industry, and build messaging around them.

Soerensen concluded that roe is not a big opportunity in Europe at this point.

WESTERN EUROPE STRATEGY

George provided the description of the Western Europe strategy as the representatives were unable to attend. George shared that the strategy in Western Europe is to work with all five species of salmon with both HRI and foodservice. A primary focus this year is continuing to build a more robust social media network, including focus on developing partnerships with key influencers. ASMI WEU has had \$4.3 million in sales with established markets and modest budgets. They have built strong relationships with well-known partners in the market and are branching out to diversify and create opportunity with new partners, as well.

Soerensen reiterated the FAO 67 message may not apply anymore, so would recommend not continuing with this message in marketing campaigns. He further shared that surimi is a growing category again and thinks this should be one of the focus areas for ASMI Western Europe.

QUESTIONS FOR THE OPERATIONAL COMMITTEE

- 1) What major challenges do you see the ASMI program you guide facing in the coming years?
 - China trade issues
 - Plant-based fish substitutes including imitation salmon roe
 - Global climate change- we need good solid messaging
 - Russian competition in several facets:
 - 1) P cod and halibut are under assessment for MSC and will soon be in markets they weren't found in before
 - 2) Quality is increasing on all species
 - 3) The Russians are getting better at marketing

- 2) What strengths or opportunities have you identified in the ASMI program you guide?
 - Incredible short-term funding source designated to explore new and important opportunities in global markets
 - Step ahead of the rest of the competition now, and we need to continue to sprint ahead
 - The Olympics in Japan are an opportunity as the world is going to Japan, we have an opportunity to reach Japanese consumers with nutrition messaging, visitors who may try new products and the rest of our markets with AK seafood recipes in Japanese fusion style
 - Access to RFM, a GSSI accepted certification
 - Flexible and hard working committee and staff in terms of direction, taking advantage of opportunities and nimble on our feet, adapting to opportunities

- 3) Please address the comments from the species committees that were directed toward your program. What are the recommendations of the committee in terms of action from the program your committee guides?
 - Salmon roe promotions are taking place and we agree with the salmon committee's recommendation because they are important. Recommend that promotions continue and we continue to expand markets.
 - Although the halibut and sablefish committee directed the domestic program to promote smaller sablefish, we also think this will be important for international markets
 - The committee supports the needs for uniform parasite messaging for all affected species. We need a broad-based response to parasite complaints.
 - The committee supports increased attention on YFS, POP, Atka mackerel and cod in new and traditional markets.

- 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?

- We discussed opportunities for Alaska seafood in pet food in international markets at length. We would like to make sure that the board is aware of the conversation and our interest. We would like to ask that the Technical program continue efforts such as the in-bound mission that will target side-stream products and visiting pet food trade shows. We'd like ASMI to reach out to associations and provide research and a scope of the market so that the potential can be analyzed by both marketing programs: domestic and international. ASMI should also capitalize on the "full-utilization" messaging that selling into the pet food market helps provide.
- The committee voted on the two possible dates for all hands and voted for the last week of October.

NEXT MEETING DATE

The Committee agreed that in the future there should be more industry feedback about the dates for All Hands. They discussed potential dates for next year's meeting. The committee recommended holding it during the week of October 26.

Action Item: ASMI staff will send a doodle poll to schedule the next IMC meeting.

ADJOURN

Knapp moved to adjourn. Yeasting seconded. Motion passed unanimously.

Adjourned at 4:15 pm.