



Wild, Natural & Sustainable

Salmon Committee Meeting

November 10, 2021

8:30 am – 11am AKST

Zoom

Minutes approved 4/14/22

I. Call to Order

Chair Thomas called the meeting to order at 8:30 am. Roll call was done via introduction. Committee members introduced themselves.

a. Roll Call

Chair Thea Thomas
Vice Chair Sandy Souter
John Daly
Julianne Curry
Nicolas Dowie
Michael Jackson
Melanie Brown
Ron Risher
Marta Heacock
Eric Jordan
José Montero Jr., Trident Seafoods

Also present: ASMI Executive Director Jeremy Woodrow, ASMI Program Directors, ASMI Staff, ASMI Committee Members, Members of Industry and Members of the Public.

Absent:

Ron Christianson
Adam Drouhard

II. Approval of Agenda

Chair Thomas requested a motion to approve the agenda. Jackson moved to approve the agenda as presented. Curry seconded the motion. None opposed. The motion passed unanimously.

III. Approval of Minutes from May 10, 2021

Chair Thomas requested a motion to approve the minutes from May 10, 2021.

Risher moved to approve the minutes from May 10, 2021. Souter seconded the motion. All were in favor. The motion passed unanimously.

IV. Chair Remarks

Chair Thomas welcomed the committee, staff and guests. She read the ASMI Antitrust statement.

V. Public Comment

There were no comments at this time.

VI. Salmon Market Update – McKinley Research

Chair Thomas invited Dan Lesh, with McKinley Research to present.

Lesh introduced himself and his organization. He noted record runs in Bristol Bay. He also noted that the fish were smaller and there were more pink salmon. It was the third best season since 1975. While the run was not as good on a volume basis, the ex-vessel and value were higher. He added that for salmon the declining size is a continuing issue for all species. He gave a global market overview, noting that Alaska accounts for 9% of the total salmon supply and there are five times more king salmon produced in New Zealand than harvested in Alaska.

Jackson noted that pricing is at an all-time high and asked about market resistance to higher prices. Dowie spoke about potential inflationary pricing and how pricing was tracking. Lesh noted that prices had gone up faster for wild than farmed. Curry asked about marketing opportunities. Lesh responded encouraging market acceptance of smaller fish and increased costs for processing smaller fish. He added handling the messaging could be challenging. Souter asked about H&G export prices and how domestic and export compare for sockeye. Lesh responded that they are similar but they don't have the data to tease out and that there is more export data than domestic data.

VII. ASMI Director Report

International Marketing Program – Hannah Lindoff

Lindoff informed the committee of the OMRs prerecorded presentations. She showed a bar graph of the declining exports to China, noting this was mainly due to the trade war. She added that Hong Kong remains separate from the tariff issue. She added that this is a major change that looks like it is going to continue. She noted currently in this market ASMI is working with influencers who develop recipes that then link to online shopping opportunities.

Lindoff noted that in Japan sustainability is only a couple of years old, and we have been able to focus on Alaska seafood in this context. The board approved ASMI using funds to target the convenience store sector, which is massive. This campaign will focus on creating a sustainable line of Alaska seafood filled rice balls. This will allow ASMI to promote salmon roe, salmon, and pollock roe as filling for the rice balls.

Next Lindoff spoke about the Southeast Asia program, noting this is an ATP funded new program that is designed to help ASMI diversify its markets.

Lindoff spoke about ASMI's Northern EU program, noting that the UK is the largest export market for canned salmon. She added that it is a really great market to push health messaging. She informed the committee that ARPA funds would be used to do a Pan-European Alaska seafood month in January, which correlates to the new year and consumer's desire to focus on health. She added the thought is to diversify the eating occasions for Alaska seafood. This promotion will have a lighthearted and fun tone. Doing a Pan-European program also allows ASMI to partner with larger retailers. She also spoke about other marketing activities that occurred in the eastern, western, central and southern European programs. Lindoff noted that the South America program includes Brazil and because of ATP funds, ASMI was able to expand to other countries such as Peru.

Domestic Marketing Program – Megan Rider

Rider informed the committee that foodservice accounts for nearly two-thirds of domestic seafood consumption. Rider spoke to the resilience of the industry despite elevated COVID levels. She highlighted the program successes, including working with chef Keith Burnell, noting he created some stunning Alaska seafood recipes that were on trend. Rider expressed appreciation for Leah and Monica's work on this project. She also highlighted the partnership with 50 Best that included a halibut and salmon campaign, which included a partnership with Chef Justin Sutherland titled "Jazz Up Your Dish," starring wild Alaska salmon roe. She then covered the results, which included 825,132 total impressions and 40,784 total engagements.

Rider spoke about a partnership with Global Corporate Chefs Association, which included Thea Thomas. Rider mentioned key data points and trends, and talked about the power of calling out Alaska seafood on the menu. The content Nordstrom has created was covered as was a trade advertisement featuring sockeye salmon.

Moving into the retail program, Rider discussed how the ASMI domestic retail program covers the US and Canada. She noted that retail thrived during the pandemic and how the focus is not just on aisles and in store carts but also smart carts and other digital solutions. Rider shared some of the shoppable recipes ASMI created and partnered with a variety of retailers on. She noted that the one shared was for a frozen salmon campaign that resulted in 12 million impressions. She also shared a canned wild Alaska salmon campaign that was done in partnership with Serious Eats that included shoppable recipes. These were canned tuna recipes that were flipped to canned salmon. She noted that they followed it up with some sponsored content, adding that OBI's Ron Risher helped with this project. Rider then highlighted an article featured in Costco Connection, which is the fourth most popular magazine in the United States with 14.3 million readers every month. Melanie Brown was featured in this piece. Rider spoke about other retail program activities including participation in a virtual trade show, Fulton Fish Market social media marketing, and Progressive Grocer. Rider concluded with a special thanks to Larry Christensen for his help with sourcing some Alaska seafood product.

Curry brought up international supply chain, tariff, etc. issues and said harvesters are wondering about expanding domestic markets, and then asked Rider how we might we expand in the domestic market. Rider responded that they are all hands on deck working to support expansion in the domestic market.

Jackson asked if there are any metrics or ways to quantify the benefits of having harvesters promoting the product. Rider responded that it depends on the retailer, the region and time of year. There is a benefit to have the images of harvesters but we don't have hard evidence that shows a direct link to increased sales.

Thomas asked about the statistic Rider presented at the beginning of her presentation, asking if two-thirds of seafood is still consumed at foodservice. Rider responded that it is a historical figure.

Communications Program – Ashley Heimbigner

Heimbigner gave an overview of the communications program's highlights starting with the new ASMI website. She noted a significant decrease in the bounce rate and that visitors are spending more time on the site. She provided a tour of the new site, noting the many improvements. She then shared the media highlights ranging from Martha Stewart to Today.com, featuring 10 Tips to Get (and Stay) Healthy this Fall. She mentioned the development of high quality assets. She noted that they are making bios for 14 Alaska seafood species. She encouraged committee members to check out these assets on the ASMI NetX media library. She noted that are also putting together content around fishing families and expressed appreciation for the Nelson family. She shared work they have done on developing sustainability content.

Industry Update – Lilani Dunn, Bristol Bay Regional Seafood Development Association

Dunn presented on the Bristol Bay Sockeye Salmon retail marketing program. Dunn provided an overview of how they built their brand and how they adapted in 2020/2021 given the pandemic. She then shared their growth in refreshed and fresh. She gave an overview of the retailers they work with throughout the United States and Canada. She shared what they did for brand building and trade outreach. She noted they bumped up their digital efforts, including the development of a digital buyer's guide. She noted their aprons are extremely popular and reviewed their other point of sale offerings. Dunn showcased the salmon cooking guide that was created in response to consumers increasingly cooking seafood at home. She shared their asset library. They also have a find your fish app and have recently expanded upon that. Dunn shared their social media activities, noting they are mostly on Facebook and Instagram. She informed the committee that they used the funds from canceled promotions to support direct marketers, which included creating customized ads for Facebook for them. She talked about their work on creating a salmon week and how they want to do it again possibly on the west coast. Dunn reviewed their sustainability project and the resources they have available. She spoke about their work with the Kraken that involves three of their players signing a sockeye salmon, swinging it around and throwing it into the crowd. She noted this has gotten a lot of

attention, including being featured on ESPN. She said they are hoping to expand upon this with the other species of salmon.

Thomas asked how the two organizations can work together. Dunn talked about how the ASMI director's and her all stay in close contact. She thought a monthly call would be helpful. She added that just more cadence because the relationship is there.

Committee round table

Thomas initiated a round table of committee members to provide insights on the salmon industry.

John Daly – noted it was a strong harvest for sockeyes and pinks as anticipated. He brought up the challenges with the declining fish size. He talked about sockeye prices and the pink commodity market and the impact of the Russian harvest. He talked about the pink pack being large. He noted he foresees the industry holding canned for a while. He brought up demand destruction due to high prices.

Sandy Souter – discussed Russian market and Russian production and that they have eco-certification, noting it is a hurdle going forward.

Nicolas Dowie – brought up the Russia market and his time at the UFA meeting, which led him to believe reciprocal tariffs could be coming. He asked about opportunities if this were to happen. Risher responded that this is dangerous territory due to the reprocessing of salmon in other countries. He added if we start putting tariffs on products, we could be hurting ourselves.

Ron Risher – noted we have seen some high pricing, which has been hard to explain or justify to our customers. He mentioned there might be some push back on these prices going into 2022, especially for sockeye H&G. He added that the smaller size fish reduced value added product being produced in Alaska, which means less fillets, and more double frozen fillets.

José Montero Jr. – added that as we move into 2022, the processors will start to get feedback from the secondary processors on what the price acceptance will be for the final end users. He predicted that the story of this price acceptance will unfold by the end of the first quarter.

Julianne Curry – Asked the processors what is the one thing they want harvesters to know is happening in the market and how that factors into the price paid at the dock. Risher responded the high cost of operating with COVID, which has translated to higher labor cost, operating costs, etc. as well as the high cost of logistics and shipping and the competitiveness of demand, which has pushed up pricing at retail. Demand has been the biggest pusher of price. He noted we are starting to see some push back on the higher prices. Souter added that the salmon roe market was very strong this year which helped influence pricing.

Melanie Brown – talked about fishing the Naknek and there is a class of fish that is huge.

Eric Jordon – thanked the presenters for the presentations. He noted that the processors in Southeast served the troll fleet well. He added that Sitka Salmon Shares started paying one price for each salmon species. This sped up the unloading, which really helped. He said the salmon shrinking really impacts the troll fleet because you can't keep the smaller ones for kings even if they have matured.

Dowie suggested optimizing harvesting yield in line with escapement goals. He further suggested we maintain high quality standards.

Bruce Schactler – asked about the highest volume of fish in the state, pink salmon. He asked the three large processors Silver Bay, OBI and Trident – if they have any pink salmon left in the United States to be processed into new frozen products for US retail.

Risher responded there is a lack of processing capability in the United States and that they are going to be focused on sockeye and potentially chums, adding that pinks tend to fall into the canned category. Risher stated further that it is difficult to process them in Alaska due to the high labor cost. He added that the majority will be exported and canned.

Schactler followed up noting the refresh program for sockeye. He added that there is a big opportunity for refreshed pink salmon and asked how we would develop the market and this new product form if everything goes to China.

The committee decided to further address this in the questions.

VIII. New Business – Species Committee Questions:

The committee discussed the questions below and the following was submitted to the operational committees.

1. What are the top 3 opportunities you see for your species in international markets?

Top 3

- i. Introduction of wild Alaska salmon (keta, coho and sockeye) into Indonesia for domestic consumption – with support from Tim Welsh and his team (SE Asia OMR).
- ii. Expand the Latin America market by reprocessing salmon in Peru for export to Brazil and US markets.
- iii. Further target the next generation of seafood consumers.

Honorable Mention

- Capitalize on consumer trend towards eating food in whole product/minimally processed form and continue capitalizing on roe sales.

2. What are the top 3 opportunities you see for your species in the US domestic market?

- i. Continue to capitalize on the success of frozen/refreshed salmon in the retail and foodservice sectors. Given the global supply chain and tariff issues, work to increase domestic consumption and capitalize on the pandemic trend of increased seafood consumption in the home.
- ii. Product availability of canned/pouched/skinless-boneless pink and sockeye. Strong demand for shelf-stable salmon and USDA programs to help keep salmon available to all consumers. “The best ability is availability” during a time where there are many supply chain challenges and product shortages, there is a significant supply of canned/pouched/smoked salmon that provides an opportunity. Target younger generation.
- iii. Protein replacement with salmon (flip dishes, substitute Alaska salmon products for other protein products) emphasize health/Vit. D, sustainability, and Alaska sourcing messages.

3. Please identify any areas where ASMI may be able to provide technical support for your species, i.e., quality, products, packaging, health, safety, nutritional.

- Be in front of sustainable practices beyond management. Investigate sustainable packaging solutions and determine carbon footprint for the potentiality of future accountability. Provide materials to consumers on “how to identify” and “why to identify” to differentiate farmed Atlantic salmon from wild salmon species: differentiate how to determine imported salmon from Alaskan salmon, as well as more highly detailed nutritional differences.
- Increase support for traceability and sustainability with more marketing of stories behind Alaskan salmon.
- The Technical committee could continue to provide additional training materials and posters to harvesters and processors on quality handling techniques and best practices.

4. For your species, what issues or topics (if any) can ASMI help with messaging and/or outreach?

- Recommend maintaining promotions of sockeye salmon, even with the current strong market demand. While this species has gained a high value, we fear that consumers may start to shy away from the high prices and small size trend compared to Atlantic salmon or farmed coho. Introduce lower-cost options to consumers via product forms (Bevel cut steaks, whole fish).
- Push for identifying country of harvest and origin for Alaska salmon. Increase traceability to reduce knock-off products.
- Support processors in addressing concerns from our customers over IUU traceability, social responsibility, fishing boat crew safety and compensation, and carbon footprint.

- Promotion of the abundance and diversity of Alaska salmon species and wild stocks against the negative marketing campaigns and NGO's (i.e. "Seaspiracy", fake fish (vegetable based "seafood")).

5. What challenges/threats do you anticipate for your species in the next year or near future?

- Potential inflationary effects on salmon, disproportional to other proteins. Higher comparative prices potentially from inflationary concerns could push people away from certain species of salmon to other protein sources.
- Backlog of product landing on secondary processors.
- Global logistic issues.
- Lack of keta and chinook salmon stocks, smaller sized sockeye (related to global climate change).
- Tariffs continue to be a significant issue for salmon markets, continue to identify alternative markets to circumvent tariff heavy countries.
- Positive marketing for Alaska salmon in response to rise of plant based seafood and cell based seafood arguments.
- Rising cost of labor, materials and thinner margins make it difficult to be competitive.

IX. Election of 2022 Chair and Vice Chair

Curry nominated Nicholas Dowie for the chair of the salmon committee, many seconds with Jackson being the official second. All were in favor. None opposed.

Curry moved that the committee nominate Ron Risher as vice-chair. Jackson seconded. There were no other nominations and Ron Risher was deemed the Vice-Chair.

X. Final Comments

Jackson thanked Thomas and Souter for their efforts and noted that their efforts made it a desirable position.

Jordan thanked everyone for their efforts.

Term limits were discussed. Curry suggested everyone consider taking a turn being the chair and vice-chair.

Brown encouraged full utilization of salmon and spoke how offering whole fish in a product form because it answers the issue of packaging and waste.

XI. Adjourn

Curry moved to adjourn and Souter seconded.