



Alaska Seafood Marketing Institute

**Board of Directors Meeting
Pacific Marine Expo
Media Room 1D01
Thursday, November 21, 2019
9am – 12pm PST**

Public Teleconference Information:

Call in number: 800-315-6338
Alternate Call in number: +1-913-904-9376
Access Code: 05684 Chair 4043
ES Access Code: 98549 Chair: 4043

I. Call to Order

a. Roll call

Present:

Jack Schultheis
Allen Kimball
Mark Palmer
Tomi Marsh
Mike Erickson
Gus Skaflestad
Commissioner Julie
Anderson

Absent:

Tom Enlow
Representative Louise Stutes
Representative Dan Ortiz
Senator Lyman Hoffman
Senator Gary Stevens
Senator Peter Micciche
John Moller

Others Present:

Jeremy Woodrow
Sara Truitt
Becky Monagle
Bruce Schactler
Hannah Lindoff
Michael Kohan
Megan Rider
Susan Marks
Jeff Regnart
Members of Industry

b. Approval of Agenda

Chair Schultheis requests a motion to approve the agenda. Marsh requests to add presentation by Dr. Rubino to the agenda.

Kimball makes a motion to approve the agenda as amended. Erickson seconds the motion. All are in favor. The motion passes unanimously.

c. Approval of minutes from October 10, 2019

Chair asks board to review minutes.

Marsh notes need to correct spelling of name Cheryl Sutton.

Chair asks for motion to approve minutes as corrected.

Palmer makes a motion to approve the minutes as corrected. Marsh seconds the motion. All are in favor. The motion passes unanimously.

d. Chairman's Remarks: No remarks made.

e. Executive Director Update:

Executive Director Woodrow begins by acknowledging Bruce Schactler's successful luncheon program in DC. He notes the Japanese OMR's and International staff hosted Gov. Dunleavy Nov 4-6 in Japan. Woodrow thanks industry and the OMR's in Japan for their hard work.

Woodrow notes that as mentioned in the All Hands Minutes, a white paper on Russia, requested by the board, is still being finalized by ASMI staff and should be ready soon.

Woodrow also notes the hiring of a new employee starting next week: Tanna Peters, Digital Marketing Coordinator. Excited to have her onboard.

f. Public Comment

No public comment.

II. New Business

a. ASMI GAPP Coordination – Craig Morris

Chair Schultheis invites GAPP CEO Craig Morris to present to board.

Morris thanks GAPP board and Jeremy Woodrow, for helping him learn more. Reviews GAPP history. Restructure to bring on full time staff in 2018. Reviews who staff are: Ann Carpenter, Emily Madsen (sp?). Recent history has been setting up the organization as a fully functioning entity. Morris presents Strategic Plan, highlights inclusion of input from GAPP members. Reviews priorities for the coming year, deliverables, goals/priorities, foreign market research, committee structure.

Morris reviews future mission trips to China, Southeast Asia, and India, future

market research on roe market in Japan and China. Reviews launch of new website and growing social media following.

Morris reviews the next GAPP annual meeting, October 12, 2020 with next steps planned as research to focus on return on investment.

Morris thanks ASMI for the information sharing on consumers, and ensuring scheduling alignment for events, etc.

Chair Schultheis asks if there are any questions for Morris.

Mikel Durham, Chair of GAPP Board introduces herself. Offers outreach to ASMI Board for future collaboration.

Palmer asks if GAPP will ask members to commit to purchasing only AK Pollock.

Durham notes GAPP expect that fish would go into the premium side of their portfolio but we would not demand they restructure their entire portfolio.

Palmer asks if there is an on-pack logo.

Durham responds that there is not a unique GAPP brand logo, but companies are expected to use approved messaging.

Palmer notes technical information is an area of collaboration, but promotional collaboration would need to include mutual planning.

Woodrow notes that GAPP is focused on promoting name brands, which ASMI is prohibited from doing. Struggle to find promotional opportunity with ASMI that does not call out brand specific.

Palmer inquires about GAPP feedback regarding the large US Government buys of pollock. Durham responds that the current practice of large buys are welcome but GAPP views it as a temporary increase.

Palmer notes the US Government is an assured purchaser of domestic product as opposed to other companies that may purchase Russian pollock for example.

Kimball remarks the Group of Five Call is important to coordinate everyone's efforts in the political arena.

Palmer asks if there are areas the board further consider working with GAPP on?

Morris responds that GAPP will also be seeking MAP funding.

Durham responds that GAPP and ASMI could work towards better collaboration on co-promotions. Not all GAPP members have the same product lines and only some members can participate in any given ASMI promotion.

Marsh suggests ASMI Directors collaborate more with GAPP on committee level.

Woodrow refers to Pollock Boom Book included in meeting materials as a resource for GAPP as further learning about ASMI's work on Pollock promotions.

Chair Schultheis asks how GAPP is funded?

Durham responds GAPP is assessed on our quota; a volunteer decision to pay into GAPP on percentage of our quota in pollock. Those without a quota pay per tonnage.

Schultheis asks what grant funding they've been awarded?

Morris answers GAPP has been awarded emerging markets, Kennedy grants, and looking into other opportunities as well.

Chair Schultheis calls for further questions. No further questions.

Chair calls for a 10 minute break at 10:37am.

Back in session at 10:50am.

Chair Schultheis invites Dr. Michael Rubino to present to the board.

Dr. Michael Rubino presents on NOAA's Seafood Market Development Program, and his position as the program's Strategy Officer. Reviews his work in researching aquaculture and Mariculture development options. Reviews the supply and demand logistics within the seafood industry. Reviews industry suggestions for actions by NOAA fisheries in partnership with seafood industry. MGAG is looking into national seafood marketing board. Reviews seeking out of ideas of how to generate additional young professionals in the commercial side of the industry. NOAA additionally seeking info on public private research to support seafood production. Seeking advice on projects and programs to explore.

Woodrow asks what he sees an organization like ASMI's doing as it relates to NOAA's work?

Rubino states a potential idea under examination of a national marketing board. ASMI could be a regional brand under an over-arching national board.

Decker provides input that a more solidified aquaculture industry would be supported through Federal legislation, it would thus be important for us to promote/increase production and consumption. That would take time to grow and develop to be able to compete.

Rubino notes an expanded aquaculture industry would also take about 10 years to grow and develop.

Kimball remarks on the need to look at it from a Global Scale. Russian aquaculture production has been increasing, as it has in China. We would need a

better view of the global picture before the industry could create an informed strategy.

No further comments/questions.

b. Seafood Technical Program Budget Overview – Michael Kohan

Chair Schultheis moved this agenda item up to follow behind the Rubino presentation and prior to the Mariculture update.

Chair Schultheis invites Seafood Technical Director Michael Kohan to present.

Kohan reviews the current operating budget for the Seafood Technical program. Reviews Seafood Technical program is the primary research arm at ASMI. Reviews goal of the program is to align with industry and key subject matter experts to provide resources and information in the categories of safety, quality, health and nutrition. Program interfaces between ASMI and stakeholders at the State, Federal and Local level on issues pertaining to Alaska Seafood. The program addresses quality initiatives across the industry, and is proactive in providing education and training. Promote efforts to ensure quality and safety of AK Seafood resource.

Kohan presents her historical research of the budget changes over the last 5 years note three Technical Directors, three Executive Directors and the inclusion of Sustainability and RFM objectives, the exclusion of those objectives, massive budget cuts and addition of a program coordinator. She notes she joined midpoint FY16. Relies on grant foundation and collaboration for research initiatives. Sustainability and RFM funding was taken out of the ST programs in FY18. Decreased ST budget by 30% through absorption of personnel costs to accommodate additional MAP funding within the International Program. In FY19 the program budget was reduced by 10% or \$40,000. FY19 also saw the addition of a Program Coordinator split between the RFM and Seafood Technical Program. Communications Program Donated \$15,000 to cover the additional staff cost. In FY19 the Tech program was left with approximately \$135,000 as the operational budget, compared to the budget 4 years prior in FY15 which was \$320,000 which is a 60% reduction. In FY 20, the \$15,000 Communications transfer took place, additionally the board increased \$35,000. ATP funds of were provided to develop material and assets for use in international markets. This was a one-time infusion and will not be able to support the program going forward. At the moment the program has \$115,000 for operational costs. Kohan requests a budget in FY21 of \$460,000.

Kohan reviews grant opportunities pursued in the recent history of the program. References the timeline of grants listed in board materials. Thanks the board for the opportunity to present the budget request. Upcoming goals are to engage on forward thinking strategies, CAP initiatives, proactive marketing, industry concerns such as parasites, micro plastics, market concerns, building comprehensive and directive sustainability strategy for ASMI.

Palmer asks if the grants being sought would be 1:1 commitment or grants that do not contain a match component.

Kohan some grants do have a match. Many grants are a match of staff time, not necessarily fund matching.

Palmer asks if there is already a staff person that goes after grants, and does Kohan have access to that person as well.

Kohan notes she would be working with Hannah Lindoff and the international team should that be possible.

Lindoff responds that her staff person is available and ready to assist with other grant applications.

Kohan notes operational costs are a primary concern so as to not have to decrease the current workload or pull from funding from other programs.

Marsh notes history of ASMI report cards. Suggests refreshing the report card strategy, identifying top three priorities that would help align funding allocations.

Woodrow notes a report card has not been done in the last few years, but could be revisited if that were the wish of the board.

Palmer asks what is the increase request in this \$460,000 from what was requested at All Hands?

Woodrow notes this is an increment increase over the \$365,000 requested at All Hands.

Kohan the \$100,000 is in response to the question posed to Hart Schwarzenbach at All Hands Meeting, to provide a number that would help the program achieve its goals.

Chair Schultheis notes that he does intend to see activity on her budget in the near future.

Chair Schultheis asks for further questions. No questions.

Chair invites Julie Decker and Tomi Marsh to talk about Alaska Mariculture.

c. Alaska Mariculture Update – Tomi Marsh, Julie Decker

Decker begins. In 2014 AFDF put together plan to bring in stakeholder and have a plan of moving Mariculture forward. Governor Walker created a Mariculture task force in 2016. In 2018 a comprehensive plan was established through June 2021. Beginning to implement comprehensive plan, focused on the first 5 years timeline. One advisory committee identified ASMI as a State of Alaska asset that could be utilized. Moving into implementation, conversation around statutory limitations of ASMI not allowed to promote Mariculture. Suggested language is

being put forth such as removing restrictions in statute “not include aquatic farm products”. Recommendation to move forward with a bill in the legislature to remove language. If removed, ASMI can apply for grants directed at Mariculture research. Stutes office has indicated interest in putting forth bill. Request from the Board to know if the board supports this initiative and including a support resolution if so.

Palmer notes the tagline of “Wild, Natural, Sustainable” ,asks what the tagline adjustment would be?

Decker notes she would not have an answer to that question today.

Woodrow notes that the logo and tagline have separate trademarks.

Schactler expresses concern of proposing a bill to the legislature, which opens up ASMI to potential criticism from members of the legislature.

Decker notes she is aware of Stedman and Stutes support.

Woodrow notes the support from majority on both sides of the legislature would be indicative of a good time to present a bill. Seeks direction from the board as to how to move forward.

Palmer makes a motion that the ASMI Board of Directors supports legislative action to amend ASMI statues accordingly to redefine “seafood” under AS 16.51.180 to include aquatic farm products as defined in AS 16.40.199. The board directs ASMI staff to pursue and work with the necessary stakeholders to meet this objective. Erickson seconds the motion. All are in favor. The motion passes unanimously.

Chair Schultheis asks for further questions. No further questions.

d. RFM Update – Mark Fina, Jeff Regnart

Chair Schultheis invites Jeff Regnart to give the RFM Update

Regnart reports that there is now a jointly signed-off agreement with Iceland. Met with Denmark and Norway. Norway received grant to put together FAO Based certification program. Meeting with them to support building that fishery standard. Denmark plans to go through the same process in the next several months.

Regnart reports the CSC Board is scheduled to begin meeting Jan 2020. As to the RFM committee, it cannot be disbanded without motion of the board.

Marsh asks if there should be some overlap to maintain the RFM committee in tandem with the functions of the CSC Board.

Regnart responds it may be useful though some RFM members are shifting to

CSC to allow built-in crossover.

Palmer asks if there is any funding reason to maintain the RFM committee.

Regnart responded there is no fiscal obligation to maintain them.

Palmer thanks all those involved who developed the RFM program and reaching the point at which ASMI is handing the program off to the CSC board.

Kimball makes a motion that on January 1, 2020 the ASMI RFM Committee shall be dissolved and the duties and responsibilities of the ASMI RFM Committee shall be transferred to the Certified Seafood Collaborative Foundation Interim Board, as appointed by the ASMI Board of Directors on October 10, 2019. Palmer seconds the motion. All are in favor. The motion passes unanimously.

Chair Schultheis calls for Executive Session, notes future meeting dates will not be discussed prior to Executive Session.

III. Executive Session

- a. ASMI 2021 Budget
- b. ASMI Committee Appointments

Palmer makes a motion to appoint Tracy Hare to the ASMI Seafood Technical Committee. Marsh seconds the motion. All are in favor. The motion passes unanimously.

IV. Good of the Order

Chair Schultheis asks for any further business for the Good of the Order. No business Presented.

V. Adjourn

Kimball motions to adjourn. Erickson motions to adjourn. All are in favor. The meeting is adjourned.

Note: Post adjournment, Executive Director Woodrow notified this writer that the All Hands Dates were selected as the week of November 9, 2020 in Alyeska, and that May 5, 2020 would be the date chosen for the spring budget meeting at the Baranof in Juneau, AK.