



Wild, Natural & Sustainable®

**Alaska Seafood Marketing Institute
All Hands on Deck
Board of Directors Meeting
October 27, 2016
Captain Cook
Anchorage, Alaska**

Draft minutes

I. Chair Schultheis called the meeting to order at 9:05 am.

Members present:

Jack Schultheis
Fritz Johnson
Richard Riggs
Senator Bill Stoltze
Tom Enlow
Mark Palmer
Tomi Marsh
Commissioner Chris Hladick
Senator Gary Stevens
Alexa Tonkovich

Members not present:

Allen Kimball
Representative Cathy Munoz

Others Present:

Members of ASMI Staff, contractors, industry
and press

II. Approval of Agenda

Marsh made an amendment to the draft agenda to remove approval of RFM Program documents under new business because the committee needs more time to present these to the board.

Marsh made a motion to approve the agenda as amended; Enlow seconded the motion; the motion passed unanimously.

III. Approval of minutes from August 10, 2016 Board of Directors teleconference meeting

Marsh made a motion to approve the draft minutes from the August 10, 2016 meeting; Enlow seconded the motion; the motion passed unanimously.

IV. Chairman Comments

Good afternoon, I wanted to take a minute to thank everyone in attendance for taking time out for this meeting.

- *I also wanted to more formally acknowledge and thank Barry Collier and Kevin Adams each for over a decade of service on the ASMI Board of Directors. Both Barry and Kevin served as the Chair of the board. Their dedication, experience and candor are much*

appreciated and will be missed. I am sure they will continue to be a strong influence on and advocate for ASMI.

- *We would like to thank and recognize Senator Bill Stoltze for his time on the ASMI board. Senator Stoltze served in an Ex Officio capacity representing both the Senate and House for the Alaska State Legislature. Thank you Senator Stoltze for your help and passion in promoting Alaska Seafood.*

We have a letter on behalf of the ASMI Board and a plaque for each of you as a small token of our appreciation.

I also wanted to remind everyone that as members of ASMI we remove our fishing or industry hats and work together to fulfill ASMI's mission of increasing the economic value of Alaska Seafood. We put aside personal agendas to work for the greater good of the State and the industry in these challenging times.

V. Public Comment

Mr. Kenny Wilson a Bristol Bay fisherman thanked the ASMI Board and Team for all their efforts in marketing Wild Alaska Salmon. Mr. Wilson stressed the importance of having a presence outside of Alaska and asked that the ASMI Board keep the Seattle office as it plays a critical role in the industry.

VI. Executive Director update (Alexa Tonkovich)

Tonkovich thanked everyone for making the 2016 All Hands on Deck meeting a success. She gave special recognition to Claudia Hogue on her 21 years of service to the State of Alaska and ASMI as the Foodservice/Domestic Marketing Director, and congratulated her on her retirement. She recognized Tyson Fick for his 6+ years of service to ASMI as the Communication Program Director, and wished him well with his new position as the Executive Director of Alaska Bering Sea Crabbers.

VII. ASMI Budget update (Becky Monagle)

Monagle provided an update on the FY16 year end for ASMI, the FY17 budget and the estimates for industry revenue collected.

Senator Stoltze asked about the reduction; Monagle clarified that the House budget was for ASMI \$2.39 and the Senate was \$3.4. The Governor's veto package reduced the budget by 1.4 leaving final ASMI budget at \$2 million State general funds.

VIII. Operational Committee reports

A. Domestic Marketing Committee (Chair Thea Thomas)

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.

The major challenge facing ASMI is long term financial stability.

There are many budget uncertainties, this being said, it is the desire of the Domestic Marketing committee to maintain current funding levels for both the Retail and Foodservice Programs (\$2,000,000. each).

Another major challenge at this time is species specific concerning pollock. This is addressed in more detail in question 3.

Other challenges facing ASMI are; the continuing need to advance the dialogue around the sustainability of Alaska seafood, while recognizing that there are many competing voices, and in addition to address the questions concerning labor practices and social responsibility in the seafood industry.

2. What strengths or opportunities have you identified in the ASMI program you guide?

One of the strengths of ASMI is that Alaska seafood is the strongest branded protein in the country. Other strengths are that ASMI has solid tools for promotions, and that we have an accomplished and experienced staff and great contractors. We have an authentic and engaging story, and authenticity is what is resonating with the next generation of seafood eaters.

3. Taking into account comments from the species committees, are there any changes you would suggest be made in the ASMI program you guide? (species committee comments and recommendations will be provided in writing at the conclusion of their respective meetings)

We have a opportunity with pollock. We need to move the needle in pollock sales, by continuing to leverage more Whitefish items with current operators. We have asked the Domestic Marketing staff to explore the possibilities of specific pollock promotions; this includes all forms of Alaska pollock. We understand that this presents a problem at retail. The Domestic Committee discussed the recommendation by the Whitefish Committee to allow branded Alaska pollock promotions and voiced concern that this would require changes in statutory language, and that it was beyond the scope of this committee.

We are moving forward the request from the Halibut Committee to ask staff that halibut always be called out as Alaska Halibut on all Point of Sale material. This committee also expressed concern that there is still a discrepancy in the nomenclature between Black Cod and Sablefish. We were told that the FDA states that the proper name is Sablefish and that ASMI is using the name Black Cod in all our materials. This needs to be resolved.

The Salmon Committee asked for continuing support for Sockeye and Keta salmon promotions in all product forms – frozen and refreshed and in expanding fresh markets. The Salmon committee also recommended that someone with experience in the Canadian market be seated on the Salmon Committee.

4. Are there any specific questions pertaining to your program you would like the ASMI Board to address?

We ask the board to continue to focus on the "Sea to Table" movement and to improve marketing of Alaska seafood to kids; this may involve other committees, in figuring how to get kids to eat more seafood, and to expand our presence on YouTube and social media.

The committee would also like the BOD to continue to explore the full utilization of all species.

5. Are there any specific actions pertaining to your program you would like the ASMI Board to consider?

We believe we have an opportunity with the new Domestic Marketing committee structure. We would like the board to consider additional ways to engage the Domestic Committee with the Communications Program. There was concern within our committee about forming another committee. A motion was made and passed unanimously that reads “...the Domestic Marketing Committee puts forth the recommendation to expand the Domestic Marketing Committee to include new members that would assist in overseeing the Communications and Consumer PR programs, rather than forming a separate Communications Committee.”

We also had a lengthy discussion about how to streamline the committee process and to reduce confusion. Some of the suggestions included; a new committee member training guide and improving communication by having committee chairs write a synopsis of committee meetings to be distributed to all committees, not just their members. We would like the operational committees to have the opportunity to meet more frequently, our committee would like to meet quarterly with at least two of these meetings be by teleconference.

The committee also struggled with how best to combine and streamline the Retail and Foodservice budgets and create standardized documents. The committee committed to working with staff on this issue.

B. International Marketing Committee (Chair Michael McGinley)

McGinley thanked the committee, ASMI staff and OMRs for their hard work and successful meeting yesterday.

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.
 - UK Brexit issue, currency and potential recession
 - Brazil is getting requests from FAS and customers to our out into other South America markets
 - State of Alaska budget cuts
 - Pollock industry crisis
 - Eastern Europe political instability
2. What strengths or opportunities have you identified in the ASMI program you guide?
 - Flexible
 - Proactive in new markets
 - Collaboration or cross pollination between OMRs
3. Taking into account comments from the species committees, are there any changes you would suggest be made in the ASMI program you guide? (species committee comments and recommendations will be provided in writing at the conclusion of their respective meetings)
 - We continue to promote sockeye and keta refresh items in all markets (as well as other species)
 - POP / Rockfish – more POS materials are needed
 - Whitefish- like the idea of promotions to younger generations

4. Are there any specific questions pertaining to your program you would like the ASMI Board to address?
Not at this time.
5. Are there any specific actions pertaining to your program you would like the ASMI Board to consider?
 - no more cuts to the International Program
 - more specific guidelines on in-kind contributions that is required to help industry's accounting departments submit reports

C. Seafood Technical Committee (Chair Dan Block)

Block thanked the committee and program director for their hard work yesterday.

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.
 - Resource volatility resulting from changing ocean conditions, and other influences
 - Budgetary Constraints
 - Maintenance of sufficient financial resources to respond to unanticipated issues as they may arise
2. What strengths or opportunities have you identified in the ASMI program you guide?
 - Focused effort to develop new specialty products derived from unused product stream, and under-utilized species
3. Are there any specific questions pertaining to your program you would like the ASMI Board to address?
 - Clarification of communication flow, directed activity, and decision tree, amongst Seafood Technical Committee/RFM Committee/RFM team/Board of Directors
4. Are there any specific actions pertaining to your program you would like the ASMI Board to consider?
 - Continued support for FITC (Kodiak)

Palmer had a question regarding clarity from the board on the communications between Seafood Technical Committee/RFM Committee/RFM staff. Block replies that they are unsure if the Seafood Technical committee goes to the Board or the RFM committee when a question arises.

D. Responsible Fisheries Management (Chair Larry Cotter)

Larry gave thanks to the RFM staff and contractors for their hard work and pushing the RFM program forward and it making great strides this past year.

Motion # 1

- The ASMI board adopt Option 1 as described in the RFM Committee report, including next steps. This includes developing the slate of members for the foundation interim Board of Directors. The ASMI Board will make a final determination for transfer of RFM to the new foundation at its spring meeting.

- The ASMI Board defer action on Fisheries Standard V.2.0, RFM V2.0 and QMS 4.0 pending a decision on the transfer of RFM to the foundation, more time is needed.
- Authorize the ASMI Executive Director to make minor administrative housekeeping changes to the RFM QMS.
- The ASMI Board continue to stand up the RFM committee and update membership of the RFM Committee to reflect most recent client fishery representation and needs for expertise.

Motion #2

- Reaffirm the position of the application of the RFM Seal on non-human fishery marine products.

Enlow asked about the task of conducting a survey that was given at the August board meeting. Cotter said it was not done, they did not feel that they had the right information that was needed and that after this meeting that they will have the information needed to conduct the survey.

IX. Executive Session:

Motion: Johnson made a motion to move into executive session to discuss committee selection, RFM transition plan and personnel/budget; Enlow seconded the motion; the motion passed unanimously.

Reconvene back into open session –

Motion: Johnson made a motion to move back into regular session; Enlow seconded the motion; the motion passed unanimously.

X. New business

RFM Program

The ASMI board would like to acknowledge the work of the RFM committee and staff on the development and evolution of the RFM program, including the recent GSSI recognition.

Motion: Enlow made a motion to direct the RFM committee to continue their work on a transition plan that specifically includes a survey of industry related to their participation in a long term funding strategy; Palmer seconded the motion; the motion passed unanimously.

Update of ASMI Logo policy, discussion of using ASMI RFM logo on non-human products

Tonkovich guided the board to the documents in New Business

- ASMI Logo Policy from 1995
- Memo from RFM Committee October 2016
- Response from Domestic Program October 2016

At the request of Palmer she gave a summary of the Domestic Program response and the solution that they propose is creating a new logo for use on non- human products, she also highlighted the current RFM logo does not have a policy and the existing ASMI logo policy from 1995 does not allow its use on non-human products.

Palmer commented that many pet food brands use the MSC logo, he feels it important for the RFM program to be able to extend a similar logo.

Marsh commented that there are many items like fish oil that go from non- human grade and back to human grade and questioned how to handle those items.

Schultheis stated that the use of the logo on anything but human food would corrupt it.

There was a general comment from the public that there are a lot of other products like fish meal made from byproducts from our seafood, the MSC logo includes a chain of custody that goes along with those products that are not used for human consumption but important to the full utilization of Alaska Seafood.

Stoltze commented that pet owners in general are very socially conscious and labeling pet food with a socially responsible label would benefit the industry by attracting those customers.

Marsh commented that she would like Sustainability Program Director Susan Marks to weigh in.

Marks stated that the RFM program has challenges due to the fact that ASMI offers two logos, the origin logo and RFM certified seal. Adding one more seal to the mix could cause more confusion. Creating a new logo is rebranding and will be a process to go through. She pointed out to the board the long list of items that are non-human grade products.

Palmer stated that the RFM seal is so new that it would not make a difference if we changed it at this moment. Enlow suggested that the committee be tasked to propose a pathway and what it would entail.

Riggs feels it is worth exploring and requested that the RFM staff and the committee to come back and let us know the costs and ramifications of what developing a new logo would entail, he feels it is an important market.

Motion: Palmer made a motion that the ASMI board allow RFM program to make non-human grade seafood items eligible for RFM certification claims but with the requirement that it creates its own logo that does not mimic or reflect the current ASMI logo; Enlow seconded the motion; the motion passed.

Motion restated: Palmer made a motion that the ASMI board approves the expansion of the scope of the RFM program to make non-human grade seafood items eligible for RFM certification claims and use of a new RFM logo that does not reflect the current architecture of the ASMI logo

In favor: Schultheis, Palmer, Johnson and Enlow

Opposed: Marsh and Riggs

Riggs commented that he voted against the motion because he would like input on two different logos, what the costs are and potential ramifications are of creating a new logo. He is in favor of the idea but would like costs and more input.

Charge to staff/committee: explore cost and potential ramifications of creating a new logo and allow for board input.

Appoint/reappoint committee members

The ASMI Board, in an effort to provide more guidance to ASMI's Communications and PR efforts has decided to appoint additional members with that experience to the Domestic Marketing Committee. Once Domestic and Communications staff is appointed, the ASMI Board will reevaluate if the needs of the organization are being met sufficiently by one committee.

Motion: Riggs made a motion to reappoint and appoint the following individuals to the below committees; Palmer seconded the motion; the motion passed unanimously.

Shellfish – Jim Carroll

Halibut-Sablefish- Mark Callahan, Joe Childers, Yvonne Shay and Carina Nichols

Salmon – Tom Sunderland, Kevin Larsen, John Daly, Sandy Souter and Nelly Hand

Whitefish – Dean Pugh, Tim Meixner, Mike Cusack and Pat Shanahan

RFM – Mark Fina, Scott Goodman and Julie Decker

Seafood Technical – Joe Frazier, Dan Block, Julie Decker, Chip Treinen and Chris LaCroix

International Marketing – Julie Yeasting

Domestic Marketing – Tom Sunderland, Lilani Estacio, Cassandra Squibb, Nicole Kimball and Jess Hathaway.

Fritz Johnson was appointed as the Board representative to this committee.

All committee appointments will carry the term expiration date of All Hands 2019

Set dates and locations for the following:

Spring Board of Directors meeting to be held May 8 or 9 in Juneau, Alaska.

2017 All Hands on Deck meetings to be held the week of November 27 in Anchorage, Alaska.

Staff will research some dates and locations for the board to host a summer 2017 Customer Advisory Panel and Board of Directors meeting.

Motion: Enlow made a motion to adjourn the meeting; Johnson seconded the motion; the motion passed unanimously.

The meeting was adjourned at 3:54 pm.

Prepared by D.Tempel