



Alaska Seafood Marketing Institute

**Board of Directors Meeting
Thursday, February 23, 2023
Virtual & Douglas Room, Baranof Hotel, 127 N. Franklin Street, Juneau**

Minutes approved at 5/16/23 meeting

- I. Chair Kimball called the meeting to order at 9:05 AM.
 - a) Roll Call
Present: Chair Allen Kimball, Vice Chair Tomi Marsh, Michael Erickson, Duncan Fields, Mark Palmer, Richard Riggs, Jack Schultheis (virtual), Commissioner Julie Sande, Senator Scott Kawasaki (joined virtually 10:40 AM). Representative Sarah Vance, Ex Officio, was present at lunch.
Also present: ASMI Staff in person (Jeremy Woodrow, John Burrows, Ashley Heimbigner, Heather Johnson-Smith, Hannah Lindoff, Becky Monagle, Megan Rider, Bruce Schactler), ASMI contractors and industry members in person, as well as ASMI staff and members of the public virtually
 - b) Fields made a motion to approve the agenda. It was seconded by Riggs. Motion carried.
 - c) Palmer made a motion to approve the minutes from December 14, 2022. It was seconded by Erickson. Motion carried.
 - d) Chair Kimball said he would save his remarks for the roundtable discussion.
 - e) ED Woodrow read the ASMI Anti-trust Statement.
 - f) Executive Director Update
Woodrow shared who the Legislative Ex Officios are who have been appointed to the ASMI Board: Representative Sarah Vance, Senator Gary Stevens, Senator Lyman Hoffman, Senator Scott Kawasaki as an alternate, and Senator Bert Stedman will be appointed next week. He referenced the email he had sent to the board regarding the Governor's budget for FY24 and \$5 million for ASMI. He will be participating in the upcoming mission trip to Vietnam. He gave kudos to the ASMI staff and thanked Commissioner Sande for participating so actively on the board, which Palmer echoed.

- II. Public Comment
ED Woodrow read one of the letters included in the board packets. On behalf of the Petersburg Vessel Owner's Association, they are asking ASMI to separate bairdi (tanner) and opilio (snow) instead of calling both snow crab in future marketing practices. Palmer requested this be discussed as part of roundtable.

- III. New Business
 - a) ASMI BOD Roundtable: Update on Market Observations, Conditions, or Expectations

Chair Kimball said it has been an interesting year. We have great support; members are working with legislators. He knows there will be more sockeye discussion, as it is always good to have fish and the marketing efforts have been successful. We still face Russia and China as competitors, but issues from Covid like supply chain have evaporated.

Marsh: Alaska will see an increase in tourism with 1.4 million visitors and over 70% of that number will be domestic. Holland America is promoting RFM.

Erickson: The market on bairdi is soft so domestic promotions are important. He is nervous about amount of sockeye and the economy. West coast is doing well with Dungeness. Woodrow asked about halibut and black cod. Erickson said halibut is stable and market is strong; he's not as sure about black cod so wants to promote domestically.

Fields: There are negotiations in Kodiak happening with tanner crab. The processing capacity in Kodiak was hard. He is on the Governor's Bycatch Task Force and thinks the industry can do a better job on utilization of the discarding of protein because of who caught it. It sends a mixed message from "wild & sustainable." He feels ASMI can help.

Palmer: It's been a great opportunity to shorten the supply chain and keep seafood domestic, but we've lost some customers. Prices are higher and items like Dungeness crab have been replaced on menus. Promotions are important because it keeps it on customers' radar. We should come up with a strategy and leverage our brand. With the way that Japan and China totally shut down during the pandemic, we will see a resurgence internationally. Sockeye is selling but not at the rate and volume as usual.

Riggs: Costs like labor and shipping are going up but the market is declining. The good news is that this is when ASMI can shine.

Schultheis: We haven't seen salmon since 2019 so it is different for the communities on the Yukon, and things don't look better for this year.

Commissioner Sande: Thanked everyone for helping educate her on fisheries. Her office has been receiving requests about mariculture and Build Back Better. She knows the bycatch report is coming close. She knows the governor is pleased with ASMI's work; her perspective is that ASMI has had 40 years to perfect the mission so they use ASMI as a model. She commends the team. Governor has put \$5 million in the budget to further the work ASMI is doing.

Fields shared that he met with Commissioner of Fish & Game, Doug Vincent-Lang, who is back from working on the salmon treaty, and he is impressed with the department and wants to recognize them for manning the trenches to help our industry.

BAIRDI (tanner crab) DISCUSSION

Kimball sees it as domestic-bound; traditionally it's been Japan and domestic. Palmer said as a processor you determine where it goes right when it's packed, so it would be good to have marketing collateral for both already made. Erickson said it needs to be separated from snow crab. Woodrow said we need to work with FDA to get names. There was discussion around "queen crab."

Fields made a motion that ASMI have a marketing goal to differentiate bairdi crab in the marketplace and work on additional USDA approved names for Alaska bairdi crab. Riggs seconded. The motion carried.

Woodrow introduced John Springsteen as Governor Dunleavy's liaison who had joined online.

b) ASMI Domestic Market & Sockeye Promotion Update

Megan Rider and Mark Jones presented and gave an update on the promotions that have been done with the \$1.1 million for that was put into the domestic marketing program at All Hands on Deck for FY23 to help with sockeye salmon promotions. Palmer asked about the Chicory promotion and it works with the shopping basket and different sku's. He is excited about this one because it came from the IRI data. Jones said retailers love telling

the Alaska origin story. Marsh said Costco sells cruises and wonders if there is a way to promote Alaska cruises and Alaska seafood together. Fields asked if the allocated funds has been enough to make a difference. Rider replied that this has been round one, info is still coming in, and Lent promotions have just begun. Riggs asked if there is a way to measure the success. Rider replied that this promotion has been slightly different because it has been sales-focused and not the usual brand-awareness focus. Jones shared that retailers have been very appreciative and value all the ASMI assets.

c) Seafood Sustains Alaska Campaign Update

Ashley Heimbigner shared details of the Seafood Sustains Alaska campaign and that the concentration has been on Anchorage and Kenai Peninsula. Woodrow said there will be more discussion in executive session regarding the funds committed to continuing this promotion. Kimball asked how legislators have responded. Heimbigner said it has been positive and they're thankful we are reaching their constituents. Kimball asked about social media and how it can be negative sometimes. Heimbigner said it has been important and helpful to also be doing editorials. Fields complimented the great video.

d) Emerging Market Program: Africa

Hannah Lindoff presented ASMI's Near East Strategy is a 10-year plan and since we do not have OMRs in the region, it will come from the ASMI office. Fields asked if she needs direction from the board. There were other questions and discussions about funding, but Lindoff said this program would be on shoestring budget and that we really want the Foreign Agriculture Service office to support and fund it.

IV. Lunch – Legislators invited

Break for lunch at 11:31 AM. Other legislators and industry members joined.

V. Executive Session: For matters pertaining to ASMI personnel and/or budget

The meeting was called back to order at 1:00 PM. Commissioner Sande made a motion to enter into Executive Session. Erickson seconded it. Fields noted that ED Woodrow has allowed others to remain present in room for sockeye promotions discussion.

a) TBA Sockeye Promotions

b) ASMI FY24 Budget

c) ASMI Staff Compensation

VI. Return to Open Session with New Business continued

At 2:56 PM, Palmer made a motion to come out of executive session. It was seconded by Riggs. Motion carried.

h) Global Food Aid Update

Bruce Schactler said the USDA public survey is happening right now. There has been a request for 50 million pounds of Pollock products. Last he heard a month ago was that sockeye is in process. They are asking for 5 million pounds of value-packed portions. He encourages board members to speak with our US delegation. USDA bought canned pinks, and he told them we could send canned sockeye to Turkey (earthquake aid) and more will perhaps go to Ukraine. The American Fisheries Advisory Committee has been appointed and there are 3 Alaskans serving with Matt Alward as chairman. Fields asked him to speak with NOAA about money allocated to SK funds; last year it was \$243 million and it looks to be increased. We are asking for amount equal to 15% of it, so \$50 million. Riggs asked about possibility of pink halves being included since pink tails are a staple. Chair Kimball shared that the industry should support continuous buy; Bruce has done a great job.

Senator Lisa Murkowski joined the meeting for a discussion with the board and staff. Palmer complimented the ASMI staff for the work done on the sockeye promotions and asked if word could be put out that the government could be purchasing sockeye as that would be very helpful. There was discussion about the delay. Kimball said it'd be good to include Pollock in the ask too. Schactler said they've had it since September – 1 pollock requests and 2 sockeye requests. Kimball commented that we'd like to see Alaska positioned and seafood buys on an on-going basis not as surplus; currently it is less than 2% of protein purchase. Fields said we need a line item in the federal budget dedicating 15% to seafood marketing. Senator Murkowski said this came up at UFA meeting also. Woodrow called attention to the AG Exports information in the board packets. It has been flat-funded for at least 15 years, and we need money to expand the market and there is need to expand internationally also. This money is key to growth. ASMI is used as a good example. Lindoff spoke to the market expansion in Thailand and South America, in addition to the programs already in Europe and Japan. Senator Murkowski said the geo-political world is changing daily in China so finding other markets is important; same with Russia. Palmer said country of origin labelling and chain of custody is important, and Kimball added that RFM and Alaska messaging is important to our consumers. Murkowski said to recap we are going to work on our definitions of fish and deal with labelling. With Sullivan, there is a key focus on trade and seafood purchases, giving input to Department of Agriculture, and direction on SK funding. Erickson said staffing is short with H2B is falling short. Senator Murkowski said yes, it is crisis management and some strides have been made like recognition from secretaries that it is very seasonal. This cannot go on like this, so they're trying to work on a long-term fix. She will be at SENA in Boston.

- e) Board Discussion: Alaska Seafood & Ancillary Product Promotions
- f) IRI Research: moved to next meeting
- g) SENA & SEG Update: Rider and Lindoff are happy to answer any questions if there are any.

VII. Good of the Order

Woodrow said the next Board Meeting will be May 16th.

Mike Cusack thanked the board and staff for all the international work being done with limited funds and for the quick turnaround on the sockeye promotion.

Fields noted that there were no actions taken during executive session.

VIII. Adjourn

Fields made a motion to adjourn the meeting. Erickson seconded. Motion carried. Meeting adjourned at 4:11 PM.