



Alaska Seafood Marketing Institute

Board of Directors Meeting
Thursday, May 9, 2024
9:30 AM - 4:30 PM (Alaska Time)
Harrigan Centennial Hall, 330 Harbor Drive, Sitka, Alaska
and Virtual

Minutes (approved 8/15/24)

Call to Order

Chair Kimball called the meeting to order at 9:30 AM with a special welcome for new board member Chris Sannito.

Roll Call

Chair Kimball asked Heather to call roll and a quorum was established.

Present:

Chair Allen Kimball

Vice Chair Tomi Marsh (virtual)

John Daly

Michael Erickson

Duncan Fields

Richard Riggs

Christopher Sannito

John Springsteen, Ex Officio

Commissioner Julie Sande, Ex Officio (joined at 9:53 AM)

Also present: Jeremy Woodrow, other ASMI staff, industry members and members of the public both in person and virtually.

Absent Members: Ex Officio Members: Senator Gary Stevens, Senator Lyman Hoffman, Senator Bert Stedman, Representative Sarah Vance, Senator Scott Kawasaki, Representative Sara Hannan, Commissioner Doug Vincent-Lang

Approval of Agenda

Riggs made a motion to approve the agenda. Erickson seconded the motion. All were in favor.

Approval of Minutes from Feb. 23, 2024

Fields made a motion to approve the minutes from February 23, 2024. Riggs seconded the motion. All were in favor.

Chairman's Remarks

Chair Kimball expressed appreciation for Woodrow and staff and the board especially considering the industry challenges. He invited new board member Chris Sannito to introduce himself. Sannito lives in Kodiak where he oversees a small processing operation. He is also a Seafood Technology Specialist for Alaska SeaGrant where he does training and workshops.

Reading of Anti-Trust Statement

Jeremy Woodrow read ASMI's Anti-Trust Statement.

Executive Director Jeremy Woodrow gave his update. He welcomed Chris Sannito to the board and thanked the board members for all being here and Ex Officio John Springsteen. He also introduced Nicole Alba as International Marketing Director, although still not official. Per motion from last board meeting, ASMI has joined CLIA. Another motion was that we draft a letter with UFA regarding SK. The letter is still in progress, but since SK is in motion, we have time to get the letter to appropriate folks. We have some budget knowns and unknowns so today's presentations are what we know and best guess for unknowns like SK and RAPP, and also note that the Legislature is in the last week of session.

Finance Director Becky Monagle presented the ASMI FY25 Budget. Fields asked why Fulfillment House is \$20,000 less. Answer is that we haven't used the full, budgeted amount in past years. There was discussion about SMIS and Fields asked ED Woodrow to work with McKinley Group on their presentations. Chair Kimball asked Monagle if more past years could be shared in the spreadsheets.

Global Food Aid Director Bruce Schactler presented his FY25 budget and gave a program report. He was in DC last week to present two new products, canned pollock and canned herring, and there is much interest in the international market. He spoke to the new QR codes and there was discussion about how they are working well and per USDA request.

Seafood Technical Director John Burrows presented his FY25 budget and gave a program report. Fields asked what Burrows is doing this fiscal year that he won't be able to do next fiscal year with \$20,000 cut to Support Materials and \$11,000 cut to Research & Development. Burrows said some support material money was reallocated to other operations and traditionally it's been closer to FY25 budgeted amount. These are place holders right now based on past spending and it also depends on which, or if, SK grant proposals are awarded. Fields commented that he would like to see these helpful materials & documents more readily available.

Communications Director Greg Smith presented the Communications & Consumer PR budget and gave a program report.

Domestic Marketing Director Megan Rider presented the domestic program budget and gave a program report. Chair Kimball said as a board we've talked for a few years about how we will continue to provide means for focus on the US market.

Interim International Marketing Director Nicole Alba presented the international program budget and gave a program report. She highlighted that new or FY25 is RAPP (Regional Agricultural Promotion Program) and we are waiting to hear about the award amount. Chair Kimball asked if we had an updated trade or tariff sheet and spoke to perhaps developing this tool; it would be complex but valuable. There was discussion about Israel. Alba explained that prior to the conflict, it was decided to include Israel with Eastern EU because our rep understands that area best. Fields said it will be important to highlight that Israel is a qualifying country through MENAWA program. Discussion about India and the study ASMI is doing to assess its key export factors and its potential for growth.

At 12:43 PM, Fields made a motion to break for lunch and then go into executive session. Erickson seconded. All were in favor.

Board members went into executive session to discuss ASMI Budget, ASMI Personnel, and ASMI Committees.

Fields made a motion to move out of executive session into open session. Erickson seconded. All were in favor. The board returned to open session at 3:36 PM.

New Business

MOTIONS

Riggs made the following motion:

"I move to approve ASMI's Fiscal Year 2025 budget for the total of **\$21,961,365**, plus any additional federal funds which includes, but is not limited to: MAP, ATP, RAPP, SK or Cochran. This amount includes all fund sources, State and Federal, as authorized by the Alaska Legislature and Governor Dunleavy. Additionally, the ASMI Board recognizes that the State General Funds are proposed in the Alaska Legislature's FY25 Operating Budget, which would increase ASMI's budget authority. Should these funds be authorized, the ASMI Board will reconvene to approve an amended FY25 spend plan."

Fields seconded. Fields added, that for clarification, it is the intent that by increasing the budget amount by \$10,000 from the staff's recommendation that the \$10,000 be allocated to the Global Food Aid Program. Riggs concurred and added a thank you to staff for the budget presentations and how in crisis mode like this that these marketing dollars are so imperative to the state of industry. All were in favor.

Daly moved to appoint the following ASMI Board members to serve as ex-officio members on the following ASMI advisory committees:

- Domestic Marketing Committee: Mike Erickson, John Daly
- International Marketing Committee: Tomi Marsh, Richard Riggs, Duncan Fields
- Communications Committee: Tomi Marsh
- Seafood Technical Committee: Duncan Fields, Chris Sannito
- Salmon Committee: John Daly

And continued the motion with presenting Greg Ness of OBI Seafoods to be appointed to the Domestic Marketing Committee and remove Michael DeCaro from the Domestic Marketing Committee, reason being John Daly, OBI moving to ex officio on DMC and Michael being no longer in industry. Fields seconded. All were in favor.

Fields shared that there was extensive discussion in executive session relative to the possible additional funding for ASMI, and the board decision is not to finalize at this time but rather indicate board intent. He made the following motion:

"I move that the following is the Intent of the ASMI Board for FY25 budget revisions should the Alaska legislature provide general funds for ASMI's use.

1. It is the Board's intent to fund the Domestic marketing budget to FY24 levels.
2. It is the Board's intent to fund the Food Service marketing budget to FY24 levels.
3. It is the Board's intent to increase the Global Food Aid budget to provide opportunities to support and/or develop Alaska herring, fish meal and protein powder market(s).
4. It is the Board's intent to restore the Consumer P.R. budget to FY24 levels.
5. It is the Board's intent to fund a contractor position to assist ASMI staff in their efforts to partner with the Alaska tourism industry in promoting Alaska Seafood and to provide a budget for these efforts.

6. It is the Board's intent to provide a fund reserve that protects ASMI's cash flow and create a fund reserve that is between \$7.5 and \$10.5 million.
7. It is the Board's intent to have ASMI staff work with the Certified Seafood Collaborative to develop a strategic marketing plan for the Responsible Fisheries Management program and to fund the first steps in said plan.
8. It is the Board's intent that any remaining General Funds appropriated to ASMI be used, in addition to our existing marketing program, for domestic marketing of Alaska seafood with an emphasis on salmon, pollock, cod and sablefish but not limited to these species.

Once the State of Alaska's budget is finalized, it is the Board's intent to have the ASMI staff provide budget amounts for the above Board priorities. The Board will then meet, perhaps telephonically, to consider and approve FY2025 budget revisions." Erickson seconded. All were in favor.

Schactler gave a report on the Herring Revitalization Committee. Woodrow pointed out the letter from CFEC Commissioner Glenn Haight in the board book. Schactler shared that he submitted a proposal in January to change the timing of the herring fishery in Kodiak area. Fish & Game agreed; CFEC did not. So this committee has been formed and they've had one meeting. Schactler is on the committee as ASMI representative, not a fisherman. A goal of the committee is to bring this to a board of fish meeting in January.

ASMI Board of Directors Market Update and Roundtable

Kimball shared he was at SEG in Barcelona and general overall mood for seafood is still one of concern. Alaska pollock continues to be in serious trouble in global markets. On surimi side, value has continued to decrease 50 percent. There was a lot of talk and interest in Barcelona about responsible fish and RFM. The ASMI booth and staff were phenomenal. Marsh echoed Kimball's thoughts regarding Barcelona. Industry has a long way to go but there are still bright spots. Daly felt there was a different attitude at SEG and SENA in Boston. The conditions around Alaska seafood, especially salmon, was different this year than past two years. There is a common understanding that prices need to strengthen, and he feels encouraged by the amount of interest at increased values for sockeye, pinks and chums. Fields shared, on advocacy side at state level, there was legislation to create a seafood industry task force. On the federal level, Senator Sullivan has a bill relative to Farm Bill moving forward that would create seafood office within USDA. Senator Murkowski has introduced a working waterfront act and he is working with her staff on this legislation. Yesterday, Murkowski, Sullivan, Peltola introduced legislation to streamline fishery disaster relief which gets money back to the fishermen; it would require the Secretary to act within 45 days once it's submitted by state. As a family fishing business impacted by plant closure, he is one of many fishermen who is regrouping and planning differently for the salmon season. Erickson said it has been good to see uptick in black cod. Riggs feels that we're not out of the woods but there is blue sky. In Boston and Barcelona, conversations with folks were about looking forward to 2024 season.; fishermen and processors are committed to maximizing the value of the resource. Sannito shared that from his small processor perspective there has been an uptick in direct marketing and fishermen are incredible brand ambassadors. In a month, he will be in DC with SeaGrant cooking black cod on a stick at the NOAA Fish Fry for about 80 people. Springsteen thanked staff for efforts.

The next board meeting will be Thursday, October 10th in Seattle, with location to be determined.

There was no public comment.

Chair Kimball closed by expressing gratitude for the great ASMI staff, Woodrow's leadership and the OMRs and contractors and the positive impacts being made globally. Erickson made a motion to adjourn the meeting. Sannito seconded. Meeting adjourned at 4:17 PM.