



Alaska Seafood Marketing Institute

Board of Directors Meeting
at Annual All Hands On Deck Conference (virtual)
Friday, November 12, 2021
9:00 am Alaska Time

Zoom

Minutes Approved 2/2/22

ASMI Chair Allen Kimball welcomed everyone and called the meeting to order.

Chair Kimball invited ASMI Board Liaison Heather Johnson-Smith to do Roll Call.

Present:

Chair Allen Kimball
Michael Erickson
Vice Chair Tomi Marsh
Mark Palmer
Richard Riggs
Executive Director Jeremy Woodrow

Representative Chris Tuck – joined at end of meeting

Also Present Virtually: ASMI Program Directors & Staff, Committee Members, Program Contractors, Members of Industry, Members of Press, Members of the Public

Absent:

Jack Schultheis
Lt. Governor Kevin Meyer
Commissioner Julie Anderson
Senator Lyman Hoffman
Senator Peter Micciche
Senator Gary Stevens
Representative Geran Tarr

A quorum was established.

Approval of Agenda

Chair Kimball requested motion to approve the agenda.

Erickson moved to approve the agenda for November 12, 2021. Riggs seconded the motion.

Approval of minutes from October 6, 2021

Chair Kimball requested a motion to approve minutes from October 6, 2021.

Palmer moved to approve the minutes from October 6, 2021. Erickson seconded the motion.

Chairman's Remarks

Chair Kimball remarked that the past few days have been exceptional and looks forward to hear the reports today and asked board members to think about things we can do as the board to support initiatives and provide direction.

Reading of Anti-Trust Statement

Executive Director Jeremy Woodrow read the Anti-Trust Statement for the record.

Executive Director Report

Chair Kimball invited Jeremy Woodrow to give the Executive Director report.

Woodrow extended thank yous to all who helped make this week a success, especially staff members and all the committee chairs and committee members. He welcomed the new chairs and vice chairs and the new committee members; it is great to have new involvement. He thanked the CAP members and commented that it was a great way to start All Hands on Tuesday and looks forward to the rest of today and hearing the reports.

Public Comment

Chair Kimball asked for public comment to be shared verbally or in the chat box. There was no public comment.

ASMI Budget Update

Chair Kimball invited Becky Monagle, ASMI Finance Director to give a budget update. Monagle shared her slides - Fiscal Presentation for FY 21. She reviewed FY21 (July 1, 2020 - June 30, 2020) in total and by program, compared FY21 to FY22 with authorization amounts and budgets by program, and look at what was collected in FY21 by voluntary industry assessment and what is estimated for FY22.

Expenditures in FY21 was \$15,965. Final FY21 Board approved budget was \$18.7 million, so the balance remaining was approximately \$2.8 million. The revenue sources that support the expenditures were \$8253.5 million in federal receipts and Statutory Designated Program Receipts of \$7711.5. The amount carried forward from FY21 into FY22 was just under \$15.5 million. Next, Monagle showed FY21 totals by program with the breakdown for each by budget, expenditure and difference. Next, she showed the Revenues FY21 vs FY22 Legislative Revenue Authorization comparison. FY21 total was \$20,360.3 and FY22 total is \$28,601.7. The increase is an addition in federal funding as well as \$7 million for ARPA. The next slide compared FY21 budget to the FY22 budget by program. At board meeting in May, board approved an operating budget of approximately \$17.5 million. In October the board increased the budget by approximately \$2 million which included \$1.5 million in ARPA funds plus some federal carryover. There is still additional federal carryover that will be added to budget when final figure is known. Allocations are \$400,000 to Consumer PR, \$500,000 to International, \$59,000 to Communications, \$137,500 to Foodservice, remainder of \$416,600 to Retail. There is still an additional \$500,000 of MAP rollover that will hit International budget as well. The next slide came from Department of Revenue and identifies the Voluntary Assessment by quarter; it shows we received a total of \$9.8 million in FY21. Monagle next shared the Actual & Estimated Ex-Vessel Value Revenue from the past 5 years of revenues received and McKinley Group's estimated projections of \$9.2 million in FY22. We just received first quarter of this year and amount was \$3.5 million.

Palmer asked about savings from not going to shows because of the cancellations and if the shows are budgeted in FY22. Monagle said this year's shows are reflected in the budget. Woodrow added that the cancellations came at end of fiscal year so it has been difficult to spend.

ASMI Global Food Aid Update

Chair Kimball invited Bruce Schactler, Global Food Aid Coordinator, to give an update. Schactler began by saying it has been a very strange year because of market disruptions like shipping and infrastructure. It is also harder to interact and connect with folks for program development since they're mostly working from home. Department of Agriculture has been increasing the amount of food they've been purchasing. Last year the dietary guidelines for Americans came out and said seafood should be eaten at least twice a week. Potential new seafood product is wild Alaska rockfish fillets. Every 10 years, WIC does a product review; canned salmon has been in 7 WIC baskets. New, canned sockeye product coming soon. In 2021, nutritional products were added, specific seafood wording was added, and new product into programs were added. For 2021 USDA has purchased approximately \$97 million in Alaska seafood so far and should hit \$100 million mark for 2021. They have accepted our proposal to purchase another \$95 million to start the year off which is \$50 million in pink salmon and \$45 million in pollock.

Chair Kimball thanked Schactler for sharing this great news, and asked if there were questions. Chair Kimball summarized a comment in chat box from Laine Welch about baby food and why there is no seafood included by major US baby food makers and how the answer has been "we don't know." Schactler replied that when it comes to government programs, they do not do experimental products; they want products that food insecure consumers already know and use. Chair Kimball said it is a good point to bring up for further discussion.

Alaska Seafood Economic Value Update

Chair Kimball invited Dan Lesh, McKinley Research, to give an update. Lesh shared a slide presentation. Ongoing and upcoming work for ASMI includes 3 more COVID Impact Briefing Papers in 2021 & 2022, Salmon & Groundfish Harvest Updates, Market Bulletins, Ad Hoc Research Support, New Economic Impact Report, and a Supply Chain Overview Report with SE Asia, UK, and US case studies. Alaska Seafood Industry Overview: Alaska seafood industry supports 60,000 jobs in Alaska with \$1.7 billion in earnings with more than 9000 vessels harvest \$2 billion worth ex-vessel value and over 200 small and large shoreside and at-sea processing plants turn that into \$4.5 billion wholesale value. Alaska pollock is 29% and second is salmon with 26%, and high-value/low-volume halibut, sablefish & crab is 21% of ex-vessel value. From 2019 to 2020 there was a drop in ex-vessel value from \$2 billion to \$1.5 billion (27% drop) and \$4.7 billion to \$3.7 billion (21% drop) in wholesale value; this was felt across most fisheries. It was influenced by COVID but also poor salmon runs. Lesh compared the 2020 impacts from COVID with 2021. In 2020, there were increased operating costs of \$70 million for seafood processors and in 2021 mitigation costs are unknown but despite vaccines available mitigation processes were maintained and there were increased costs throughout the supply chain and hiring is still challenging with a 28% rise in processing labor costs. The continued demand shift for food has created an increase in retail sales including seafood. There has been a partial recovery in export value from 2020; may still break \$3 billion. Transportation/logistics challenges continue to be extreme; spot prices per container on key shipping routes have increased 3 times or more. We are expecting a rebound to normal range with ex-vessel and wholesale values in 2021. Salmon was big improvement over 2020, but although runs were strong the fish are smaller and it pushed the total volume down. Alaska 80% of global sockeye supply and 1/3 of global pink supply. In 2021 for groundfish, pollock TAC has been fully harvested, BSAI crab had reductions, flatfish is only at half of TAC right now, and halibut was strong. Chair Kimball thanked him and invited questions. There were no questions.

Responsible Fisheries Management Update

Chair Kimball invited Jeff Regnart, RFM Program Manager to give an update and thanked Mark Fina, Board President of Certified Seafood Collaborative (CSC), for joining and presenting as well. Regnart shared a slide presentation on RFM's ongoing activities and accomplishments with progress since November 2020. Ongoing activities: continue collaboration with GULF & Japan RFM, GSA/RFM Pilot development & implementation, fishery outside AK considers RFM, develop revised Data Limited Framework, and develop 'low risk' CoC for spring 2022. Accomplishments: maintained GSSI Benchmark status, new RFM website (independent from ASMI), finalized joint CoC with Iceland, CSC Board finalized cost sharing plan, and new certification body joins RFM. In July 2020, RFM transferred from ASMI. Regnart shared the CSC Foundation Board Members and organization-governance chart, and vision statement ("By 2025, RFM certification is broadly used in the primary seafood markets worldwide"). He shared the CSC Foundation board's core values and

strategic initiatives. RFM program expanded to North America and now has its first US fishery outside of Alaska to enter RFM, but it is not a public announcement yet to share the who the fishery is. RFM will also be adding a Certification (CB) to the program. Regnart gave a chain of custody update. Next he shared the business plan's costs and projections. FY22 is the last year ASMI will fund RFM program's administrative costs, \$362,000. Certification costs are covered by fishery clients starting in FY22; average cost is \$38,000 per year. For FY23 and beyond, program costs are apportioned by ex-vessel values. ASMI & RFM continue CSC work. MOA is in place; it is the most important relationship. GSA & RFM Pilot will include two companies from North America; plants will be audited against GSA standard and RFM logo will be used on consumer products. Pilot Objective: GSA (global seafood assurances) will demonstrate how they can assist RFM in opening up additional markets for Alaska RFM certified seafood. New partnership with FishChoice, which is an online platform that helps businesses with seafood sustainability; it is great exposure for RFM. Regnart said that there is a shared chain of custody with Iceland; this global collaboration can work as a RFM alternative to MSC.

Chair Kimball invited Mark Fina to share also. Fina said he wanted to emphasize the opportunity of working with Iceland and other countries that have RFM programs. Another opportunity is low risk chain of custody to find another niche in the market. Overall emphasis is getting people to understand why RFM program exists. Palmer asked if there is one-page flyer that customers like him could share with people they work with highlighting the benefits. Chair Kimball said that his invitation is and has been that Alaska producers need to use this and put this no-cost logo on the packaging.

Chair Kimball took a moment to welcome Louise Stutes, Speaker of the House and former ASMI Ex Officio, to the Zoom meeting.

Chair Kimball read question from chat box by Craig Morris who asked how frequently Alaska pollock has been the largest catch by volume and value for Alaska seafood ex vessel value. Kimball share and Dan Lesh replied in the chat box that most years it's the salmon group that is the largest slice, but about a third of the time over the last 15 years it's been pollock.

ASMI Operational Committee Chair Reports

Chair Kimball invited ASMI International Marketing Committee Chair Julie Yeasting to give a report. Yeasting reviewed the committee's responses to the questions provided by ASMI Executive Director. A copy of the responses was provided to each board member. Yeasting also shared that OMRs need information from us. IMC met 4 extra times with OMRs so feedback and advice was freely shared. She also invited the board to please view the prerecorded videos from the OMRs that are on the All Hands page on website. She thanked ASMI staff especially Hannah Lindoff, ASMI Sr. Director of Global Marketing & Strategy, is a great guide.

Vice Chair Marsh thanked IMC and commented on the deep dive and appreciative of that.

Chair Kimball invited ASMI Domestic Marketing Committee Chair Lilani Dunn to give a report. Dunn began by thanking her committee by naming them, the board members, ASMI Director of Domestic Marketing Megan Rider and ASMI team; she applauded Executive Director Jeremy Woodrow and ASMI team and congratulated on 40th anniversary. Dunn reviewed the committee's responses to the questions provided by ASMI Executive Director. A copy of the responses was provided to each board member.

Palmer asked about the mislabeling concern. There was discussion. Chair Kimball echoed Palmer and said that if it is seen it needs to be reported.

Chair Kimball invited ASMI Communications Committee Chair Pat Shanahan to give a report. Shanahan began by thanking the board and the communications committee; she encouraged all to visit the ASMI website to see the committee members' bios. Shanahan reviewed the committee's responses to the questions provided by ASMI Executive Director. A copy of the responses was provided to each board member.

Shanahan thanked ASMI's Communications program staff, Communications Director Ashley Heimbigner, Tanna Peters, and Arianna Elnes for their hard work all year.

Chair Kimball invited any questions. There were none.

Vice Chair Marsh commended the Communications team, and Domestic Marketing team also with their joint meeting; she is glad to see focus on holistic health.

Chair Kimball invited ASMI Seafood Technical Committee Chair Brandii Holmdahl to give a report. Holmdahl reviewed the committee's responses to the questions provided by ASMI Executive Director. A copy of the responses was provided to each board member.

Chair Kimball invited any questions. There were none.

Operational Committee Recommendations Discussion

Chair Kimball invited further discussion from the Board. There was discussion of committees' recommendations to the board.

Palmer asked when was the last time we did a market basket analysis. If people are cooking more at home, maybe we should look to partner with a company. On customer loyalty programs there is so much info. Experiment with putting it in basket (and consumer has to take out) or perhaps a coupon or incentive.

Kimball remarked that it is different than 20 years ago, and we have seen people want to spend money on food service. One aspect we could consider is data collection, like the basket analysis Palmer suggested. It will help us prioritize. IMC Chair Yeasting shared that Central Europe, Eastern Europe, Southeast Asia, and Japan are collecting data; OMRs would be responsive.

Palmer asked Yeasting since re-processing centers are cropping up in other parts of the world, is there an opportunity for Alaska Seafood to be processed outside China and utilized within the markets. Yeasting said there is potential in several countries.

Riggs shared that he has enjoyed opportunity to take part in the meetings this week and McKinley Research's presentation and highlighted different comments from the reports.

There was board discussion on market basket collection and the type of information that is collected, and the importance of us using current data metrics in today's market place to find areas of growth.

Chair Kimball was interested that packaging came up in several of the committees and with CAP. We should spend a little time on this and try to find alternatives for all product types for Alaska seafood.

DMC Chair Dunn shared that Domestic program has some market basket info although not Alaska specific but the companies doing the gathering will pull info. Woodrow said that is part of the ARPA funding that allows us to go after that info.

Seafood Technical Chair Holmdahl said that regarding packaging, the technical committee would like input from other committees and board to help identify the parameters.

Chair Kimball said another common thread he heard was about having more digital information. ASMI has provided best digital images in the business. We need to stay current and provide resources.

Palmer brought up home delivery and how that has changed consumer purchasing. He would like ASMI to explore who are the partners we should work with.

Chair Kimball made a commercial for RFM since it will not be funded by ASMI in 2022. As “parents” it will be good to see progress and updates. Chain of custody and ease of use is a big advantage. There will continue to be questions, like some will have to decide on how to use logos – ASMI and/or RFM. Kimball asked if others had any ideas, concerns or challenges for use of RFM. Woodrow said he hopes it becomes a problem because it means they’ve grown and are a success story.

Chair Kimball asked board to think about CAP -- do we want to have CAP at All Hands or keep it separate? Palmer said CAP is best when tied to more people listening so at All Hands. Marsh added a 6-month follow up would be good. Riggs said CAP is usually longer, and CAP being in person was every other year because of cost. Global CAP input is valuable, so maybe combine and integrate more frequent so perhaps with online participation. Communications Chair Shanahan offered a committee perspective that having CAP at All Hands is very valuable.

New Business & Good of the Order

Chair Kimball shared new business items. ASMI is planning future board meeting in early winter to review and discuss ASMI goals and mission, as well as, follow up on what we’ve seen and heard here to look at priorities and how best to support staff. Also a poll will be sent to find a spring budget meeting.

Representative Chris Tuck joined. He apologized for not being able to participate this week. He appreciated the informative reports today. He returned from National Council of State Legislators. He attended an invite only reception there and had an idea to have joint reception with Hawaii and promote Alaska seafood alongside them.

Chair Kimball thanked Rep Tuck for joining and providing input.

Chair Kimball asked for any other new business or good of the order. He invited Executive Director Jeremy Woodrow.

Woodrow said we will send a doodle poll to find a date to meet in Juneau in late January. Maybe we can tie in a CAP meeting for Spring. Hopefully Barcelona Show will be happening so we will look for board meeting date to be end of April beginning of May. It’s been a great meeting – thank you everyone.

Chair Kimball thanked Woodrow for his leadership and thanked ASMI staff who represent Alaska brand so well. Thanked the committee members in the industry; it takes extra time and energy.

Chair Kimball invited a motion to adjourn meeting.

Palmer moved to adjourn the meeting. Riggs seconded the motion.

Meeting adjourned at 11:41am.