



Wild, Natural & Sustainable®

Alaska Seafood Marketing Institute (ASMI)

Domestic Marketing Committee Meeting

Friday, February 19th, 2021

9:00 AM – 12:00 PM Alaska Time

Zoom Meeting

Minutes

Call to Order

A regular meeting of the Alaska Seafood Marketing Institute (ASMI) was called to order virtually (via Zoom) by Madame Chair Lilani Dunn at 9:02 AM on February 19, 2021.

Roll Call

Committee Members Present

Lilani Dunn
John Salle
Larry Christensen
Branson Spiers
John Daly
Ron Christianson
Mike Cusack
Thea Thomas
Mark Palmer
Kendall Whitney
Tomi Marsh

Committee Members Not Present

Nelly Hand

ASMI Staff, Contractors, and Others Present

Megan Rider, Domestic Marketing Director
Leah Krafft, Domestic Marketing Coordinator

Monica George, Domestic Marketing Coordinator
Nanette Solanoy, Assistant Marketing Coordinator
Jeremy Woodrow, Executive Director
Hannah Lindoff, Senior Director of Global Marketing & Strategy
Sara Truitt, Executive Assistant/Board Liaison
John Burrows, Seafood Technical Program Coordinator
Ashley Heimbigner, Communications Director
Nicole Stangeland, International Marketing & Grants Coordinator
Alice Ottoson-McKeen, International Marketing Specialist
Susan Marks, Sustainability/Certification Advisor
Jann Dickerson, ASMI Contractor
Mark Jones, ASMI Contractor
Tricia Sanguinetti, ASMI Contractor
Ron Risher
Josie Curtis
Dave McIntire

Approval of Agenda

Christensen moved to approve the agenda, Cusack seconded, none opposed. Motion passed.

Approval of minutes from meetings held Thursday, November 12, 2020

Christensen moved to approve the minutes from the meeting held on Thursday, November 12, 2020; Cusack seconded, none opposed. Motion passed.

Public Comment

No public comment.

Budget Presentation provided by Megan Rider

Rider thanked the committee for the help in contributing to building the budget for FY22. Rider welcomed new domestic marketing team members George and Solanoy and congratulated Krafft in her new role as the lead of foodservice. George took over as head of retail, and Solanoy's role is dedicated to 75% to the international marketing team and 25% to the domestic marketing team.

Rider presented the foodservice budget, which covered both commercial and non-commercial. Rider presented a slight decrease in program operations due to a vacant position (assistant marketing coordinator). There was a slight increase in marketing operations due to travel funds being reinstated. Rider recommended no change in operator promotions and that they will continue to work with long-established partners. She also noted that ASMI would like to continue to work in colleges and universities, assuming that they will reopen in the coming fall. Rider presented an increase of \$25,000 to distributor promotions to reflect a new partnership with US Foods and with alternative suppliers. For tradeshow and conferences, Rider recommended an increase to reinstate the budget line. She acknowledged that it could potentially change, but the increase reflected tradeshow and conferences

post COVID-19 and included SENA, which was going to be held twice in one fiscal year. Rider announced that Krafft and George have been working on Seafood University and that it should be ready to launch soon. Rider noted that Palmer's suggestion at the All Hands board meeting to include a module about how ASMI could better interact with partners and show the resources and tools that are available to utilize was included in Seafood University. Rider recommended no change for trade advertising and gave kudos to Sanguinetti for her work in this line.

Rider presented the retail budget. She recommended a slight decrease in program operations due to the vacant position. An increase in marketing operations was presented due to travel funds that covered Jones and Sanguinetti. Rider recommended an increase of \$55,000 in special projects and co-op promotions to reflect the expansion into other consumer-facing virtual opportunities. Rider said they were currently working with Chicory (a digital shopping marketing platform). No change was recommended for the trade promotion budget line, but Rider said that if an opportunity came along, funds from trade support could be pulled if needed. Rider recommended an increase of \$170,000 to reinstate the tradeshow and conferences line to reflect tradeshow and conferences post COVID-19 and SENA. She recommended a decrease in trade support to reflect the completion of the QR code project, Seafood University, pre-COVID-19 and COVID-19 research (hoped to be released in early March), as well as the reinstatement of the tradeshow and conference line. No change was recommended to trade advertising.

Discussion

Cusack asked if there was a limit on how much could be carried over from year to year, either in foodservice, retail, or both, due to the pandemic/budget changes/lack of travel.

Rider responded that, in theory, 100% could be carried over from both foodservice and retail into the next fiscal year, with the board's approval.

Cusack noted that he wanted to ensure that they would not have issues at the state level with budget funds not being spent. Woodrow elaborated that ASMI always asked for full authority to spend what was in the savings account every year to provide the board with maximum flexibility if needed. He noted that the rainy day account was decreasing because ASMI was drawing down from savings, and that was why budgets were being reduced overall. He stated that ASMI would need legislative authority if they were to seek federal grants and that the legislature provides how much federal money ASMI could accept every year. If the ASMI domestic program were to receive a federal grant that was not accounted for in the middle of a fiscal year, then ASMI would need to go back to the legislature and ask for that approval to spend that money.

Lindoff suggested that Woodrow take a minute to discuss the overall ASMI funding issue because if they were looking at major impediments to spending carry over, the actual state of ASMI's overall budget and the downward spending trend was an issue. Woodrow clarified that they have some flexibility, but not a lot year to year since ASMI is drawing down from the savings. He believed that it would be unlikely that the board would allow ASMI to carry over 100% of unspent funds, but they would need to look at it more strategically and possibly spend the funds in future years.

For perspective, Lindoff asked if there was an estimate of the budget shortfall that ASMI faced this year. Woodrow responded that ex-vessel values were down in 2020 and were expected to be hampered in 2021. He shared that McDowell estimated that ASMI is expected to see a 25% (or more) reduction to what the industry pays into ASMI's overall marketing budget. In the last few years, ASMI was averaging between about 9.5 -10 million a year in what the industry was contributing to ASMI's marketing budget, and ASMI's budget is expected about a three to five million dollar hit which will change the projections in the coming years for spend plan.

Thomas asked for clarification if the 25% reduction Woodrow mentioned was reflected in the proposed budget and if the budget's new totals were in the presentation. Rider responded that the totals for the foodservice and retail budgets were in a separate document that was available to all DMC members.

Lindoff clarified that the 25% reduction that Woodrow mentioned was to the overall ASMI savings account and not the domestic marketing budget that Rider proposed.

Salle expressed that he didn't think SENA would take place in July and asked if that is the case, would the funds would go unspent and carry over to the next year. Rider responded that they are hoping for the best but also preparing for the possibility that it could hit the budget line twice next fiscal year. If the entire funds for SENA are not spent in both foodservice and retail, and if board approval was received, those funds could be put into the rainy day fund or carry it over. Salle asked if the Go Wild reception was included in the SENA funds, and Rider responded that the reception comes out of the admin budget and does not hit the domestic budget line. Rider said that no preparation had been made for the Go Wild reception because they do not see it taking place.

For future budget presentations using pie charts, Christensen suggested including comparisons showing the previous year and the current proposed budget to understand budget particulars better. Rider took note of the suggestion for future budget meetings.

Christensen moved to approve the proposed FY22 budget; Thomas seconded. None opposed, the motion passed unanimously.

SENA Reconnect Virtual Tradeshow

Rider shared the SENA Reconnect Virtual Tradeshow – due to the pandemic, a virtual event is set to occur March 15 – 19, 2021. ASMI will have a presence there. The ASMI domestic, international, and communications team was working on a video in partnership with Chef Keith Brunell, who will showcase Alaska cod three ways. ASMI will have whole product displayed, such as salmon, halibut, and pollock. Rider encouraged people to join and attend. Rider opened the floor for the DMC members to share any other ways they and their companies interacted in the virtual space in tradeshows and conferences.

Dunn invited anyone to discuss any presence at the Reconnect event, and she shared that she plans on attending the event on behalf of BBRSDA.

Old Businesses and Good of the Order

Rider shared a suggestion from Risher to have the DMC share any market or species updates. Dunn called for a roundtable for the committee to give any market or species updates.

Christensen shared thoughts about potential marketing opportunities regarding a University of Washington project that involved quantifying carbon footprints for the tonnage of protein provided throughout Alaskan fisheries. Dunn said that there could be some good collaboration and suggested contacting the ASMI technical committee. She said she would reach out to Burrows and let Rider know if there were any potential marketing collaborations.

Whitney did not have any marketing or species updates but shared that they were preparing for an earlier than usual long lining season and doing their best to keep everyone safe.

Salle shared that he knew that GAPP was also working on a project involving carbon footprints and the fishing industry (similar to the project that Christensen commented on) and encouraged collaboration between the two organizations if it was not done so already. Specific to species – there was a fair amount of uncertainty, and the focus has been on employee safety and getting operations back up safely.

Cusack shared that overall, the Alaska pollock markets were good, and he appreciated the QSR promotions and the calling out of Alaska pollock. He said that flatfish was struggling due to the pandemic and the issues in China but mentioned it was nice to see the Bojangles Lenten flatfish promotion.

Daly shared that the canned salmon market was doing well and that overall, they were in good condition heading into 2021.

Risher (from the Whitefish Committee) shared they had great success with pollock, but they saw stagnation in the cod and flatfish markets and would like to promote these products. Echoing the salmon report, he said that domestic sales have been doing well but hoped to see more pinks and chum in 2021. He shared that they would also like to see more promotions done on coho salmon. He noted the shortage of snow crab, king crab, and Dungeness, primarily due to the delays in the Alaska season and the impending Eastern Canadian seasons on snow crab – but there were going to be opportunities once crab entered the market again. Risher said he wanted to push RFM certification efforts in that fishery (Southeast Alaska and Kodiak Dungeness). He also shared hopes for promotions for fresh halibut, as the season was to begin at the beginning of March.

Christianson addressed packaged goods and shared that the issues with China have led to demand and shortage of packaged finished products, particularly with pink salmon portions in the US. He also mentioned that Atlantic farmed salmon was cheap due to the foodservice issues during the pandemic. There was still plenty of frozen in the market, but they saw some steady upticks in the fresh value on farmed salmon, which impacted wild and frozen salmon components.

Thomas shared that they received information from the Department of Revenue locally that the RSDA tax was going to be 30% of average, which reflected the poor year last year for the Prince William Sound/Copper River Area. She expressed that she was very pleased to see domestic sales of salmon doing well and that it was encouraging.

Dunn added that they would be better prepared to take care of any COVID-19 precautions before the season starting and hoped for a safe season.

Spiers said that all in all, they were cautiously optimistic.

Cusack congratulated committee members on recent promotions and position changes and called out Spiers and Daly.

Dunn asked a question from Risher: He was wondering if there were any requests for social responsibility and fishing vessel safety audits. Risher clarified that these requests were coming from overseas but wanted to know if this was strictly international or if it would affect the domestic market as well. Cusack said he would speak with Risher about this topic offline.

Discuss Next Meeting Dates

Dunn suggested using a Doodle Poll to choose the next virtual DMC meeting date. She noted that the Board of Directors will meet in April (April 29, 2021) to approve budgets, and she suggested that the DMC meet after that meeting.

Cusack recommended that based on the uncertainty of SENA and the summer season, that the DMC meet in late April or early May since it would be towards the end of the fiscal year for ASMI, and there would be more clarity on SENA and budgetary items.

Dunn asked Rider to keep that suggestion in mind for when the Doodle Poll is sent out.

Adjourn Meeting

Christensen moved to adjourn the meeting, Thomas seconded. The meeting was adjourned at 10:06 AM Alaska time.