



Alaska Seafood Marketing Institute

Alaska Seafood Marketing Institute (ASMI)

Domestic Marketing Committee Meeting

Friday, June 11th, 2021

9:00 AM – 11 AM Alaska Time

<https://us02web.zoom.us/j/84393975294?pwd=MHdvSExqZk9BeDk4ZGE2VTZUL29oQT09>

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MINUTES

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I. Call to Order

A regular meeting of the Alaska Seafood Marketing Institute (ASMI) was called to order virtually (via Zoom) by Madame Chair Dunn at 9:01 AM AKST on June 11th, 2021.

Rider went over ASMI's anti-trust statement.

II. Roll Call

Committee Members Present

Lilani Dunn
John Salle
Larry Christensen
John Daly
Ron Christianson
Mike Cusack
Kendall Whitney
Tomi Marsh
Nelly Hand

Committee Members Not Present

Branson Spiers
Thea Thomas
Mark Palmer

ASMI Staff, Contractors, and Others Present

Megan Rider, Domestic Marketing Director
Leah Krafft, Foodservice Marketing Coordinator
Monica George, Retail Marketing Specialist
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
Susan Marks, Sustainability/Certification Advisor
Jann Dickerson, ASMI Contractor
Mark Jones, ASMI Contractor
Tricia Sanguinetti, ASMI Contractor

Senator Peter Micciche, Ex Officio and Senate President
Marie Molde, Datassential
Ron Risher, OBI Seafoods
Steven Nast, OBI Seafoods
Josie Curtis, Edelman
Erin Farkaly, Edelman
Lior Press, Edelman
Michael Jackson, Member of ASMI Salmon Committee, Harvester
Dave McIntire

III. Approval of Agenda

Christensen moved to approve the agenda, Cusack seconded. None opposed, agenda was approved.

IV. Approval of minutes from the meeting held February 19, 2021

Christensen moved to approve the minutes from the previous meeting held on February 19, 2021, Cusack seconded. None opposed, and the minutes from the previous meeting were approved.

IV. Public Comment

Dunn reminded attendees that the meeting and minutes were being recorded and that if there was no public comment during this section of the agenda, there would be room for public comment in the industry updates portion of the agenda.

Cusack requested to have meeting attendees identify themselves (excluding committee members and ASMI staff) – see *ASMI Staff, Contractors, and Others Present*.

V. Presentation from Marie Molde of Data Essential

Molde from Datassential presented the latest retail research – the study focused on retail opportunities and attitudes towards Alaska seafood at retail. The study consisted of two types of consumers: affluent and general. Molde provided an overview of the protein landscape (how consumers were approaching seafood compared to other types of protein), and she stated that close to half of seafood eaters were limiting their meat intake. Molde also went over seafood purchase frequency; as COVID-19 vaccine rollout increased, seafood purchase away from home/at foodservice was bouncing back. Molde also shared that new consumers were trying seafood for at-home consumption for the first time during the pandemic. The data showed that while some consumers were trying to increase seafood consumption, many different proteins were trying to maintain their protein consumption. Molde shared that the two biggest reasons consumers chose seafood were for its health benefits (especially during the pandemic) and because they prefer the taste of seafood.

Molde discussed the motivators when it came to choosing seafood over other proteins when grocery shopping: variety, information (easy/healthy recipe ideas, health benefits, etc.), health, sources (product of the U.S., wild-caught), and environment (sustainably sourced, environmentally friendly). She also showed the data of people cooking seafood at home – now compared to pre-pandemic. Molde shared the data of grocery shopping behavior towards seafood – salmon and shrimp were the most purchased and consumed seafood types in all aisles, except canned. Data showed that consumers were buying fresh seafood more often than frozen and canned (consumers were buying frozen and canned seafood once a month to stock up) and that they were satisfied with their fresh seafood selection but indifferent towards canned, deli, and online selections. The data showed that consumers' number one seafood information resource was the seafood person in stores, and promotions were a strong purchase driver during the pandemic. Data showed that recipe ideas and fresh options would motivate consumers to choose seafood more often, especially as they cook more during the pandemic.

Molde gave an overview of seafood attitude and perceptions – freshness is a key indicator of quality seafood, followed by a wide variety of available seafood types and fair prices. She mentioned that two-thirds of consumers were eating the same amount of fresh and canned seafood as a year ago. She presented data showing wild-caught being preferred over farm-raised and shared some of the reasons, such as taste preference and fewer human additives.

Molde shared that American-sourced seafood was overwhelmingly preferred over seafood from other countries, and within the U.S., Alaska was preferred over Maine. Some of the impressions of Alaska seafood from consumers were the freshness, great taste, high quality, wild, and healthy, and many of them associated it with safe and natural. Molde said that mentioning “Alaska seafood” increased consumers’ willingness to buy it at retail, and packing that included the Alaska seafood logo increased purchase interest even more.

Molde wrapped up her presentation with some takeaway points: Consumers wanted more seafood, and 50% were choosing seafood more often than last year; There were new customers (26% of general consumers purchased seafood for the first time during the pandemic); Consumers (35%) were cooking

more seafood at home during the pandemic, and most were planning to continue; Wild was preferred, and Alaska has a big positive impression and drives sales.

Discussion – Q & A

Dunn commented that she was surprised to learn that foodservice and some customers were still in the practice of buying fresh seafood and freezing it themselves. She also appreciated that Molde touched on consumer education and the comfort level of cooking seafood at home is a priority. Molde also mentioned the interest in recipe ideas and what to do with leftovers.

Rider echoed Dunn's sentiments; she thanked Molde for presenting and shared that the retail research brochure was live on the alaskaseafood.org site.

Cusack asked if Molde had data on if the increase of plant-based protein consumption was not pulling from the seafood protein category or any other data on where that shift was occurring. Molde responded that she didn't have the data that plant-based was pulling consumers from other categories, but she said that most people wanted to increase their seafood consumption rather than plant-based consumption in their diets.

Christianson asked if Molde could be more specific and show the data on more of a species basis rather than just Alaska seafood in general. Molde said that she did have data on Alaska salmon versus the other types of salmon (Atlantic, farmed, Norwegian, Chilean, etc.), and she could follow up on more specific data.

Christiansen commented that it was good to see the term "natural" rated higher than "organic." He also noted that it would be beneficial to consider incorporating carbon footprint and seafood information compared to plant-based foods into marketing. He also said that he liked seeing that wild is preferred over farmed and the increase of frozen seafood consumption and noted that the seafood displays could be presented in a way that wasn't too overwhelming.

Molde said it would be a good idea to explore more and discuss the sustainability of seafood compared to plant-based proteins.

VI. RFM/Sustainability Update provided by Jeff Regnart and Susan Marks

Regnart gave a brief overview of the RFM program and the transition of ownership from ASMI to the Certified Seafood Collaborative Foundation (CSC). Regnart shared the updated marketing collateral, and Marks noted that not only did they update the graphic, but they also focused on making strategic content changes to the collateral. Regnart stated some of the things that should be kept in mind for the RFM program in FY22: It was GSSI recognized, it was a fully mature and operational program, and it had continued market acceptance, and the industry has to buy in and pay for the program for it to succeed.

Regnart gave an overview of the program budget and the proposed cost-sharing plan for administrative costs and reiterated the importance of program participation for it to grow. He also went over the business case for RFM in lieu of MSC/in conjunction with it: it was affordable, it preserves origin, it was accessible, and it was reliable. He also gave some information on the global collaboration with other RFM

programs (MOU with Iceland RFM, Norway was developing an RFM Program, and exploration of collaborations with other RFM programs). Global collaboration was important for market awareness.

Regnart focused on halibut and sablefish and stated that both were MSC and RFM certified and shared that Chatham Strait was currently covered under the RFM Sablefish Certification. He pointed out that if customers were asking for certified seafood from that area, it could be supplied with RFM and that the RFM Logo was free to use for companies who had RFM Chain of Custody.

Marks shared some considerations when choosing only RFM Certification; most halibut was sold in the Domestic Market where there is strong GSSI support and acceptance for other credible third-party certification other than MSC, e.g., RFM; Sablefish was primarily going to China and Japan where certification was still emerging, and RFM had good coverage in Japan over the past few years. Marks said they were putting an emphasis on halibut and sablefish because they were in jeopardy of pulling out of the program. She made a point of saving certification and logo fees by only paying for RFM certification and pushing for RFM certification.

Marks and Regnart encouraged the support of RFM moving forward. Marks addressed a comment from Cusack and said that they had discussed this with the halibut and sablefish committee, but they have not gotten the traction they need.

Discussion

Christiansen asked if the pushback on RFM Certification came from the market perception. Regnart said that the issue was not that there was pushback, but there was no engagement. He pointed out that the RFM program was something the industry wanted, paid for, and now they needed participation.

Marks was asked if there was progress with retailers who were very specific to MSC, such as Aldi and Whole Foods, in warming up to the idea of other certifications. Marks responded that they had not had direct conversations with them, but the success with Walmart could be seen as a great example, and she would like to see the GSSI theory tested.

Cusack said this was the first time he has heard of the issue with halibut and sablefish, and he asked if the board has discussed this and thinks it should be brought more awareness. Regnart said they have talked about it during board meetings in the RFM updates. Still, they haven't approached it any other way, and he said it would be a good idea to bring it up to the board so that more awareness could be created and there could be correspondence between the board the client group.

VII. Foodservice Update

Dickerson shared a slide of the FY21 Lenten Promotion partners (primarily quick-service operators), and the results of the promotions were going to be presented at the All Hands meeting. Still, she shared that the first glimpse showed that the 2020-2021 season was ahead of the 2020 season and might even overcome the 2019 Lenten season. She shared a feeling of optimism in the industry, and partners were looking forward to seeing things go back to normal.

Dickerson shared the American Dairy Queen promotion ("Off the Hook Flavor") on Alaska pollock that would run all year-long. American Dairy Queen had 2,500 units in the U.S. Most of them have stayed

open, as most of the quick-service operators since they were already equipped for takeaway and delivery service. Dickerson discussed the Freddy's Frozen and Custard & Steakburgers promotion (cod fish and chips – basket or sandwich). She shared that Freddy's was planning to open a new unit that would not have dine-in service at all. She thought this might become a trend coming out of the pandemic, especially for quick-service operators/operators. This could lead to less real estate for new quick-service units and more focus on units doing drive-through and pickup.

Dickerson discussed the partnerships with First Watch (Alaska smoked salmon promotion), Golden Chick (cod promotion), Jack in the Box (pollock promotion), Long John Silver's (showed a commercial that emphasized online ordering), Nordstrom Restaurants (Chef Keith Brunell developed a monthly program where a new menu item was promoted, and ASMI participated), Rubio's (original fish tacos used Alaska pollock and social media posts highlighting Alaska salmon), and White Castle (continued to do fish sliders and fish nibblers with Alaska pollock).

Dickerson gave an overview of some of the distributor promotions, which included the Sysco Lent Toolkit: Sea Your Profits Grow, and they have used ASMI assets as a base for their social media posts to direct to key customers and customer prospects, engage Sysco associates, and on their Sysco Foodie website. Dickerson talked about ASMI's new partnership with Restaurant Depot, and they ran banner ads on their websites and monthly fliers, using ASMI's creative assets. Dickerson said that Restaurant Depot became an important partner; their sales grew throughout the pandemic, and they were a good distributor resource for restaurants. U.S. Foods was another new partner that ASMI began to work with, and they heavily promoted Alaska seafood.

Discussion

Dunn asked if the team was planning to attend the National Restaurant Association Show in May 2022, and Dickerson responded that it was a plan to attend, but it was yet to be determined which sponsorships they were going to do. Dunn said she was planning on the show herself as well.

Salle asked if there were opportunities to have logos/branding put on digital menus and to expand the content to help tell the Alaska story as digital menus continued to be developed. Dickerson said it would be a challenge, as currently there were no promotional elements on digital menus, and it could be tough to incorporate, but she also noted that physical menus could come back.

Rider took this time to recognize and introduce Senator Peter Micciche officially.

VIII. Retail Update

Jones gave an overview of the retail trade promotions:

- Schnuck's "Eat Good to Feel Great" Campaign - social media, in-store, and ads promotion of Alaska sockeye salmon and cod
- Rosauers Lent 2021 - promoted salmon, cod, halibut, crab, rockfish, sablefish, and sole in social media campaign and a designated Alaska section in service case with signage
- Albertsons Lent 2021 - frozen sockeye and cod were promoted with a company-wide sales and merchandising contest

- QFC Lent 2021 - cod, salmon, crab, and halibut were promoted, and they did a sales and merchandising contest with Chateau Ste. Michelle Wines as a partner
- Hy-Vee - cod, salmon, crab, and pollock were promoted during lent, and there was coverage in "Seasons" Magazine and the "Seafoodies" blog
- Costco Wholesale – refreshed Alaska sockeye salmon sides and fillets were promoted
- PCC Community Markets – Alaska salmon, halibut, crab, scallops, and cod were promoted

Jones shared the new partnership with Chicory and the shoppable recipe application, and he also mentioned the digital activation work with Fulton Fish Market. Regarding meal kits and e-commerce, Marks asked for ideas on meal providers who were receptive to the Alaska seafood story and used Alaska seafood. He said they were ready, willing, and able to work with HelloFresh and other meal kit providers. He also gave a brief overview of current and upcoming retail promotions, including Costco, Shop Rite, and HEB.

Discussion

Dunn mentioned that Sun Basket (meal delivery service) carried Alaska seafood, which was a company that Jones could set up a meeting with to discuss potential Alaska seafood promotional ideas.

Daly asked Jones Albertsons did any promotions on snow crab. Jones said he was unsure if they did snow crab promotion during lent since it was not part of the initial discussion, but it could be for next year, and he would be happy to include crab in promotions.

Christensen asked about the volume and pricing of Chicory. George responded that Chicory was a shoppable recipe platform, so they were not necessarily getting information on prices and volume. They could see the click rate (how many consumers were going to the site, how many times they went to a recipe, and if they went to make a purchase). Christensen asked Jones about his thoughts on price affecting lift rate; Jones responded that lift was strong if a retailer really got behind the story-telling and executed it well.

IX. Industry Update (both market and species)

Dunn shared that on May 17, BBRSDA published a sockeye market outlook. She also noted that Symphony of Seafood would take place at Pacific Marine Expo in November, and they would be calling out for product. She said some industry and retail partners have been asking about COVID-19 safety on the fleets, and BBRSDA posted it on their website. Regarding the Seaspiracy documentary on Netflix, she said they had had some direct marketers that were partnered with them that were affected by the film; in response, she mentioned the collaboration with ASMI for a sustainability response, which was not a direct response to the film but it included information that helped direct marketers.

Daly shared that for canned salmon, the conditions were favorable for a significant pack year. He said that 2020 was not as strong of a pink salmon run, which leads to inventories moving quickly through the retail network, and he did not see significant volumes heading into 2021. He was cautiously optimistic, and there was currently a good inventory of salmon in the industry.

Whitney shared that they were seeing strong demand for halibut, large sablefish, and he mentioned that there was not very much demand for smaller sablefish, which was an issue, but overall there was good demand all over. He noted the cost of logistics being very high, which would be their biggest hurdle this year.

Cusack said that the pollock stream was currently very healthy and that things were good overall and thanked ASMI for the support.

Salle said that with his new role, he has been working with secondary manufacturers, that their biggest challenge was labor shortages. He was curious about how labor was in retail stores and how they could help fill the void (pre-pack items, self-serve type items, etc.) since it was a big issue. He noted that surimi seafood at retail was doing well; there was good growth, and consumers were still purchasing it. He asked Jones for any comment on labor in retail, and Jones responded that some places have had to increase wages to keep employees that they wanted to keep, but it was also a difficult time to hire new employees.

Christensen mentioned the dismal start and high prices situation in Cordova. He questioned how the high temperatures from years ago would affect the return of two-year ocean fish, but they will see how that all plays out.

Christianson noted the logistics issues as well as the uncertainty of tariffs. He echoed Daly's comments on inventory, which he said were good. He noted that Atlantic salmon prices increased, and that impacted the salmon market as well. He also shared his concern about price increases this year.

Hand it was going to be an interesting season as there were lower volumes but high prices, but there was a lot of hope for the pink salmon season, so it was interesting to hear about the strength of canned salmon.

Dunn asked for updates from other ASMI staff on their programs to share. Lindoff (ASMI International) acknowledged the concern about international markets and offered to help with products that only had a few markets. Heimbigner (ASMI Communications) shared that the team was working on asset development (photo and video production) and to feel welcome to reach out for any assets needed.

X. Staffing Update & All Hands

Rider quickly introduced the ASMI Domestic team and gave an ASMI staffing update; John Burrows was now the ASMI Seafood Technical Director. ASMI International has made a new hire for the Asia Program Coordinator, and Kara Hollatz was the Europe Program Coordinator. The Domestic team was also going to be recruiting for an Assistant Marketing Coordinator.

Dunn asked for details that were known/confirmed for the annual All Hands meeting. Rider shared that the meeting would be on the week of November 8, 2021, in Girdwood, Alaska, at the Alyeska Resort & Hotel. The meeting was going to be a combination of virtual and in-person.

XI. Old Business and Good of the Order

Daly commented on the use of the Alaska Seafood logo; he asked how everyone felt about the big brands (such as Chicken of the Sea) removing the Alaska Seafood logo on their products. He wondered if it was because the fish was from Alaska but were being processed somewhere else, and they were trying to standardize all their fish. He wanted to know what the rest of the committee thought on the topic. Jones said he does not deal with the marketers of those processing teams, but he thought that Chicken of the Sea was using the Alaska Seafood logo. Rider confirmed that they did request to use the logo, and they did have the right to use the logo, but it was now a question of whether they were going to use it or not. Daly said it could be a distribution issue but wondered if there was communication on it. Rider also said that if any companies that the industry wanted them to target to use the logo, they could try to get in contact and start communication.

Christensen asked if he could get a report on product form and recipes development, and Rider said she could share some resources with him offline. Dunn also shared that she might have some material regarding the smaller size fish.

Cusack said that based on the Datassential information shared, he was curious if it would be possible to develop a second Lent – not just for Alaska seafood, but for all seafood in general. Dunn mentioned a seafood nutrition partnership, and Lindoff added that Lent was very important in the U.S. market and Europe and South America. She said that there was a need for more diversified seafood-focused moments. Jones agreed, and for retail programs, there was an intense focus on National Seafood Month. Dickerson said that from a foodservice operator stance, she would also be on board with the idea. She thought that the holiday season would be better rather than October, as well as the summer season. She added that many restaurant menu items turned into grilled items and lighter, healthier items, and that would be a good time to focus on other seafood products that did not get as much focus. Heimbigner added that the communications team had ideas to engage the at-home seafood consumers. They were specifically targeting September, October, and November, so maybe ideas could be tied up together.

Rider said that Thomas could not join the meeting since she was out fishing, and Woodrow (ASMI Executive Director) was out on annual leave, but he wanted to thank the committee for all their hard work.

XII. Adjourn

Christensen moved to adjourn the meeting, Whitney seconded. The meeting was adjourned at 12:04 PM Alaska time.