



Wild, Natural & Sustainable®

All Hands on Deck
Board of Directors Meeting
Thursday, October 10, 2019
Captain Cook Hotel Aft Deck

9am – 4pm AKST

Call in number: 800-315-6338
Alternate call in number: +1-913-904-9376
Access Code: 05684

I. Call to Order

Chairman Schultheis called the meeting to order at 9:05am

a) Roll Call

Present:

Chairman Jack Schultheis
Mark Palmer
Tom Enlow
Tomi Marsh
Michael Erickson
Tom Sunderland for Allen
Kimball
Representative Louise Stutes
John Moller
Commissioner Julie Anderson
Jeremy Woodrow
Sara Truitt

Absent:

Vice Chair Allen Kimball
Gus Skaflestad
Senator Peter Micciche
Senator Gary Stevens
Senator Lyman Hoffman
Representative Dan Ortiz

Also Present in Gallery:

ASMI Staff members, ASMI
Contractors, ASMI Committee
Members, members of the media,
members of the public

b) Approve Agenda

Before asking to approve the Agenda, Chair Schultheis notes that Ben Stevens from the Governor's office is present to speak on the passing of Sheryl Sutton. Chair Schultheis invites Stevens to speak.

Ben Stevens speaks to the legacy Sheryl Sutton left behind, and highlights her contributions to industry. He notes the date and time of her memorial service and invites those assembled to

attend.

Chair Schultheis thanks Stevens for his words.

Chair Schultheis asks for a motion to approve the agenda as presented.

Enlow moves to approve the agenda as presented. Sunderland seconds the motion. Palmer proposes to place the RFM update first among the Chair reports. Sunderland moves to second the motion as amended. All are in favor. The motion passes unanimously.

c) Approve minutes from the CAP & Sept 3, 2019 meeting

Chair Schultheis asks for a motion to approve the minutes as presented from the August 6th CAP Meeting and the Sept 3, 2019 Board Meeting.

Enlow moves to approve the minutes as presented from the August 6th CAP Meeting and the Sept 3rd Board Meeting. Erickson seconds the motion. The motion passes unanimously.

d) Chairman's Remarks

Chair Schultheis welcomes those assembled to the meeting. Extends compliments and acknowledgement of former Executive Director Alexa Tonkovich. Reads letter from Chair of International Marketing Committee, Lance Magnuson which includes a request for a commendation from the board for Alexa, for her service to ASMI and the Alaska Seafood Industry.

Chair Schultheis remarks that he supports a commendation for her. The Board agrees. A question is raised if a motion is required, but the board determines it does not rise to the level of a formal motion. Current Executive Director Woodrow notes that he will follow address getting the commendation arranged.

Chair Schultheis then remarks on the service and dedication of many committee members and Board members. He specifically calls out Ron Jolin, Rodger Painter and Jeff Stephan's as founding members of ASMI who are still engaged in ASMI today, 40 years later. Commends them for their dedication of time, and effort. Expresses thanks to all assembled for their time and dedication.

e) Public Comment

Chair Schultheis announces that public comment will be held until the end, to accommodate the presentations from Committee Chairs.

II. Executive Director Update (Jeremy Woodrow)

Executive Director update was held until the end of the meeting.

III. Operational Committee Reports

a) Responsible Fisheries Management Committee (Mark Fina)

Chair Schultheis invites Mark Fina and Jeff Regnart to present.

Fina and Regnart present: recommends appointment today of the RFM Foundation Board. Suggests RFM Committee could be disbanded in January 2020. FY2021 ASMI Land Foundation to enter into agreement to fund foundation and in early 2022, develop MOU.

Current Bylaws calls for a nine-member board. There were eight candidates. Their first Priority will be to develop a viable business plan. Next would be a decision to discontinue RFM Committee in Jan 2020.

Newly appointed Foundation would begin meeting post Jan 2020. The current Fishery Standard Committee could still stand, and advise the Foundation. Seafood Tech Committee currently oversees chain of custody. That component could roll into the Foundation.

Next, approve an MOU between Foundation and ASMI. ASMI provides web support to foundation. Review relationship between Icelandic certification foundation and coordinate with Icelandic constituents in the promotion of the AK and Icelandic programs.

Fina outlines that the staff and RFM board work together with Operational Committees to develop program.

Next in 2021, the Foundation would be funded through a contractual processes, RFP or Cooperative. Full funding request for FY21. Business plan will inform funding determination for FY22.

Next transfer of all intellectual and physical RFM related property to the Foundation July 2020.

With guidance by DOL and Trademark Attorney, transfer the program to the RFM Foundation.

Moving forward: Foundation Board will provide annual update to ASMI board. Foundation staff will interact as appropriate with ASMI committees.

FY20-21: Establish and register a not for profit foundation to own and operate the program. Hire a Manager. Revise QMS and Procedures with new ownership details. Develop Business plan. Continue international work with Iceland, Norway and other potential partners.

Regnart reviews the costs of annual certification of fisheries.
Regnart then reviews estimated total program costs.

International efforts continue to include Iceland on a jointly held Chain of Custody. Assist NOFIMA in the development of a Norwegian wild capture fishery standard. Continue to promote an international approach to a FAO based fishery standard (Iceland, Norway, Denmark).

Chair Schultheis asks for questions from the board.

Stutes asks what is the "real property"?

Regnart: Based on FAO documentation, used existing docs to form what Alaska uses as cert program. Copyright trademark attorney refers to it as a "thin copyright"

Palmer asks if there are any materials that can be used to kick-start a conversation with committees?

Regnart: that information does exist and can be shared.

Chair Schultheis asks for any further comments or questions. There are none.

b) Domestic Marketing Committee (Chair John Salle)

Chair Schultheis invites Domestic Marketing Committee Chair John Salle to report.

Salle begins his presentation by reviewing the answers to the Operational Species Committees.

**For reference, the questions given to the Operational Committees for 2019 were:*

- 1. What major challenges do you see the ASMI program you guide facing in the coming years? (short-term and long-term) Please specify by market, species, or general programmatic concern.*
- 2. What strengths or opportunities have you identified in the ASMI program you guide?*
- 3. Please address the comments from the species committees that were directed toward your program. What are the recommendations of the committee in terms of action from the program your committee guides?*
- 4. Are there any specific questions pertaining to your program you would like the ASMI Board to address? Or any specific actions you would like them to consider? If not, write N/A.*

Answer to Question 1:

Salle begins by noting the committees' discussion around plant-based protein food trends. Approach of taking high road and speaking to positive aspects of AK Seafood, clean oceans, well managed, low carbon footprint. Opportunities to incorporate fish products as ingredients in the proteins as well. Over 1/3 of Americans avoid meat consumption. Seafood is perceived to be healthier. AK Seafood is well positioned to appeal to Millennial and Gen Z for the generational attention to quality and health.

Answer to Question 2:

Salle notes the strengths of the program are a wonderful collection of partners and collaborators. Well tenured staff of contractors and a cohesive ASMI staff.

Answer to Question 3:

Salle shared feedback his committee took under advisement from the Species Committee reports: Identified opportunity to piggyback on promos of frozen and refresh products, and thus extend seasons of fresh promos. Salle notes that Whitefish Committee encourages staff to revisit Cook-It-Frozen campaign. ASMI should work with GAPP regarding timing of USDA contracts.

Notes feedback to his committee from Salmon Committee: a need to develop robust roe market domestically. Continue to educate on name change of golden crab from brown crab. Develop educational materials regarding sea cucumbers. The Halibut/Sablefish Committee: Think beyond menu placing of sablefish at white tablecloth (think of QSR) with influx of small fish to the market.

Answer to Question 4:

Salle states the Domestic Marketing Committee asks the Board to review current statutes regarding Mariculture, specifically kelp. States the committee request guidance on a go-to-market strategy, guidance on packaging, guidance on selling the logo, and how much marketing dollars should be dedicated? Finally, the Domestic Marketing Committee asks that the Board draft a letter to the Governor regarding AMHS ferry system continuing service for shipments of product within Alaska.

Salle summaries that other items discussed were: MBAQ update, National Accounts, Distributor Promotions, Retail Trade Promotions, and Data Essential research.

Chair Schultheis asks if there are any questions for Salle.

Moller: It is of interest to Administration to discuss shellfish regulations.

Salle explains ASMI can currently only market wild capture. ASMI does have some restrictions related to Mariculture.

Woodrow: Notes the Mariculture topic is on the agenda, and that current statute prohibits ASMI from marketing Mariculture products. To support a growing industry, there would need to be an alteration to the statute.

Moller: Agrees that ASMI has hurdles. Would like input from industry as what a fix to that problem might be.

Chair asks for further questions for Salle. No further questions.

c) International Marketing Committee (Chair Lance Magnuson)

Chair Schultheis invites International Marketing Committee Chair Lance Magnuson to present.

Magnuson begins by thanking the International team of staff and contractors, stating they've done a wonderful job. Magnuson then presents the committees answers in order:

Answer to 1 question:

Magnuson answers that China trade issues are foremost. Also notes plant based fish substitutes, Imitation salmon roe, and global climate change. Needs solid messaging from Board as to how we are to address that with customers. Russian competition of pacific cod and halibut are under assessment for MSC, and will soon be in markets where they were not previously. Quality of Russian products is increasing with production of new fleet development. Russians are improving their marketing. Salmon production out of Russia is increasing.

Answers to questions 2:

Magnuson: a major strength is the current influx of short term Federal funding. Commends Hannah for her leadership and vision to gain this funding, which assists in counteracting effects of tariffs. Notes upcoming opportunity regarding Olympics in Japan; reach Japanese consumers with nutritional messaging. Access to RFM and GSSI accepted certification. Flexible and hardworking staff. Nimble and adaptive.

Answers to questions 3:

Magnuson reviews the recommendations of IMC from the species committee comments: Salmon was looking for help with Roe. Salmon Roe promotions are currently taking place. Recommend these promotions continue and that we continue to expand market for salmon roe. Magnuson notes that the Halibut-Sablefish Committee wishes to see the International Program promote smaller sablefish. Magnuson says his committee agrees, specifically in Japan. IMC supports messaging for all affected species regarding parasites. Magnuson states the IMC also supports increased focus on yellow fin sole, atka mackerel, pacific ocean perch, per the requests from the Whitefish Committee.

Answers to questions 4:

Magnuson notes the IMC has discussed opportunities for pet food in international markets. Would like ASMI to reach out to associations and research. Capture full utilization messaging in ASMI's efforts to utilize our byproducts. Magnuson noted the scheduling issues around this years All Hands dates, and shares that currently the Committee has voted for the last week of October to be their preferred time in 2020.

Chair asks for questions from Lance. There are none.

d) Seafood Technical Committee (Chair Hart Schwarzenbach)

Chair invites Seafood Technical Committee Hart Schwarzenbach to present.

Schwarzenbach begins by noting the committee did not have a quorum at the end of the meeting time, and thus have not yet conducted their vote for chair and vice chair. He thanked everyone who attended the meeting for their time and contributions.

Schwarzenbach presented the committees answers to the questions in order:

Answer question 1:

Schwarzenbach noted a concern of the Seafood Technical Committee was a consistent lack of funds for multiple years. Notes that the committee discussed a desire to seek additional funding. Underscores that the Seafood Technical is the only committee noted in the bylaws, and has asked for better funding in the past.

Answer question 2:

Commends Michael for her work and the services she provides. Serves as a critical point of contact on nutritional and scientific questions. Ensures consistency in messaging.

Answers 3:

Schwarzenbach notes the Halibut Sablefish requested help with the issue of chalky halibut and jelly Sablefish, there is a technical guide in development. He also notes the Seafood Technical Committee is working with Communications Committee to get messaging out about quality, as well as proactive parasite messaging. Schwarzenbach also notes that in response to feedback from the Salmon Committee, a technical fact sheet about changing resources in a changing environment is in development. Schwarzenbach notes that the Seafood Technical Committee approved a white paper on the synergies of health benefits of seafood that fills in the gaps of nutrients that you cannot get from plant-based foods alone. Finally, Schwarzenbach reviews

request from the Shellfish committee to develop guidance around live shipment of crab/how to do it. Developing fact sheet to help promote golden king crab.

Answer 4:

Schwarzenbach shares that the Seafood Technical Committee recommends that the Seafood Technical Director collaborate with state agencies to source funding for AK seafood contaminant database. The Seafood Technical director will respond back to the Board with a complete assessment of funding needed to create our own contaminant database. He recommends that the Seafood Technical Committee oversees quality messaging for AK Seafood.

Enlow questions the Seafood Technical Committee's request for more funding. Asks for an example of how an objective is not being met due to lack of funds.

Schwarzenbach responds that the committee's work has always been reactive versus proactive. In the past the committee reacted after something happened. Currently the funding is used to keep up with current operations and everything costs more money. The budget is not keeping up with those costs.

Enlow: Asks what the committee would do with more money?

Schwarzenbach: Responds there could be an increase of scale. Gives the example of micro plastics. One sample costs \$6,000. In order to be proactive on that issue, money would be needed for multiple samples.

Palmer: Remarks if you see where problems are coming from, we've been proactive in the past. Current questions are environmental concerns, die-offs, that messaging is going to come from Seafood Technical, not from Domestic or International. Concerns on the upcoming environmental messaging, needs funding for those pending issues.

Schwarzenbach: Our goals exceed the budget we currently have.

Chair Schultheis asks if there are any further questions for Schwarzenbach. There are none.

e) Communications Committee (Chair Julianne Curry)

Chair Schultheis invites Communications Committee Chair Julianne Curry to present.

Curry begins by stating her committee just met earlier this morning. She answers the questions presented to the Operational Committee.

Answers to question 1

Committee chose to look at plant based proteins and lab grown fish products as an opportunity rather than a challenge. Messaging from those companies is detrimental and misguided. Discussed that Congressional Delegation is aware of these labeling issues. Discussion of messaging that is coming out of those companies may be considerable as fraud.

Challenges of Cod declines in the Gulf of Alaska. Ways to counteract the phrase "overfishing" Discussion on climate change, and messaging around that. Would like further discussions with RFM as to how Communications can help. Would like to be at the forefront of the conversation

and leading the charge. Partnerships we can make or forums we put on, collaborating with NOAA on messaging.

Answer to question 2:

Discussed overlapping with Seafood Technical Committee more. Be more collaborative. More opportunities to work with Technical, especially with all of the talking points and discussions under development. Talked about communicating with cultural differences. How we can be a global leader in the climate change discussion. Reducing dependence on oil products. Highlighted Kodiak's use of wind energy as something the seafood industry should be highlighting – seafood processing facilities in Kodiak run on wind energy. Telling the coastal story. Refreshing out social media strategy, high level of interest. Better overlap and integration with the Alaska Travel Association. We don't have AK seafood served on every cruise ship coming to Alaska.

Answer to question 3:

Talked a lot about small sablefish, need to shift peoples perspective on what small sablefish means. RFM cert of atka mackerel and pacific ocean perch. Small sockeye, low ability to sell into the market place. Imaging requests. Program is looking for additional imaging Interest in how to use ASMI further, like a How To Guide on the ASMI logo, many entities don't understand that they have the ability put the logo on their products. Developing a training guide for direct marketers, insofar as how to push info asmi has out to the direct marketing community

Answer to question 4:

Talked about Mariculture, and the limitations under statute. Looking for feedback and directions to go in on Mariculture. Talked about committee role. Still relatively new. Looking for help and guidance as to how the RFM transition will happen insofar as how it effects our committee. Plans to next meet at Expo.

Unofficial recommendation, a training for a board and committee training.

Chair Schultheis asks if there are any questions for Curry asks for questions. No questions presented.

Chair Schultheis announces a break at 11:35am.

Chair Schultheis reconvenes the meeting at 12pm.

Palmer asks to make comment before moving into ES.

Palmer noted request for whitepaper to give to Congressional Delegation about Russia products. To date the US has done nothing, and the Russia products are more prevalent in the US market than AK products. Palmer suggests Jeremy direct staff to draft a letter as a first step. Unsure if we'd need an industry letter, asked for input.

Enlow notes it could be a cross-organization letter.

Woodrow agrees that he would be happy to direct staff.

IV. New Business and/or Executive Session

a) RFM Progress Report: - Included with earlier report.

b) ASMI GAPP Collaboration

Chair Schultheis invites Jeremy Woodrow to present on the ASMI/GAPP Collaboration.

Woodrow reports on one pager included in board packet. GAPP markets pollock through North America Pollock Organization. They are very brand specific. ASMI is not brand specific. They are trying to figure out how to navigate the two different approaches. Notes high volume of pollock sold over lent, there might present opportunities for collaboration. Will be attending first ever GAPP annual meeting and hope to learn more about GAPP and how they function.

Chair Schultheis notes he would like to have Craig come to one of ASMI's board meetings.

Enlow agrees to idea of having GAPP collaborate where appropriate. Notes applications from GAPP staff for ASMI committee appointments; would make sense, be a good fit to have them on a committee.

Chair Schultheis asks for any further comments for questions. There are none.

c) ASMI Annual Budget Outlook

Chair Schultheis invites Woodrow to present on the ASMI Budget Outlook.

Woodrow reports forecast of ASMI spend plan, pulling from rainy day account. Spending in excess of what our revenues are. ATP increases our overall bottom line, but it is temporary funding. Acknowledges that the STC asks for more funds. STPR reduced by \$150,000 this year. Increased our estimate of industry revenue, which also the overall value is up to \$10 mil, but being conservative, bringing that to \$10m, we'd have to reduce \$1.5 million per year off of our total spend plan. Around FY23-FY24 we reach a point where we no longer have enough money to pay bills. We receive our assessment funds at end of fiscal year, after that new year has already begun. If we drain our carryover, we might operate a program based solely on estimates of what we might receive from the prior year's fishing.

Enlow asks if spend drop between FY22-FY23 is accounting for RFM being independent of ASMI?

Woodrow responds it does not. This just shows reduction over time by \$250,000

Enlow asks why that was not factored in.

Woodrow responds this is based on an assumption. The outlook could change, taken into account once the RFM MOU is signed, how much money could be reallocated from RFM.

Palmer asks State officials who are present if they felt the money was well spent?

Representative Stutes responds yes. Comments money went into travel industry but not seafood industry. She agrees travel industry does return revenue into the state. But the revenue contributions from the Alaska Seafood industry means that the state allocated funds were well spent.

Palmer states we need to express to our legislators and the administration that they could view this as investment into the domestic market. All Federal funding is dedicated to export markets. We know we are not going to be facing tariffs within the US, nor currency fluctuations. We've not done a good job advocating why we need that money from the state.

Moller: From the Admin standpoint, the absence of a line item is not an indication of the administrations lack of support. We will be having budget discussions, and are currently now also having discussions.

Representative Stutes remarks she would like to see more equity between the travel industry and fishing industry.

Moller: Happy to follow up with that discussion.

Woodrow comments that ASMI staff is seeking out other grand opportunities. Grand Coordinator now on staff, seeking grants currently and hopes to have further information on grant opportunities at coming meetings.

Chair Schultheis asks for any further comments or questions. There are none.

d) ASMI Customer Advisory Panel Report

Chair Schultheis invites Woodrow to present on the CAP Meeting Report.

Woodrow provides overview of discussion at this year's CAP meeting. Notes highlights listed on page 10 of the Board's meeting materials..

Palmer commented that the CAP members expressed interest in being utilized in real time throughout the year. Staff should feel welcome to contact them.

Marsh vocalized her support of staff reaching out to CAP more as well.

Chair Schultheis commented that the meeting should take place each year.

Marsh proposes ASMI set telephonic meetings for now, every several months. Chair Schultheis agrees.

Woodrow offers to poll CAP members to find a time for everyone to meet online.

e) Select All Hands 2020/2021 Venue and Dates

Chair Schultheis invites Woodrow to present discussion of future All Hands dates and venues.

Woodrow acknowledges 2019 date conflicts with other industry events when combined with hotel availability in Anchorage. Presents options for 2020.

Enlow suggests that the meeting be set for October 27, 28, 29. The board agrees, however no

motion is made.

f) Mariculture

Chair Schultheis invites Woodrow to speak on the topic of Mariculture

Woodrow enters into discussion on Mariculture. Tomi discussed with self-assessments with seaweed growers and oysters, seeking grants to support those sectors, self-assessment would follow. They could agree to go into the ASMI program and be self-assessed.

Julie Decker remarks from the gallery that there is currently a twenty year plan to grow to a million dollar industry. Seeking ways to expand sales of Alaska seaweed. Notes there are grant programs through USDA and other organizations as well.

Commissioner Anderson adds that the Mariculture industry is very encouraging. Working with the task force, wants to see a successful future. Any opportunities to work together with this industry would be supported by the Department of Commerce.

Sunderland shares that Trident is highly supportive of the expansion into Mariculture.

Marsh comments this also ties well with the plant based foods movement. Sea plants would also be harvested and processed in the same industry facilities.

Chair supports ASMI's engagement in Mariculture

Enlow: remarks ASMI is currently prevented from that per the statutes language.

Woodrow echoes that that is correct. State statute prohibits us. There is no self-assessment that goes directly to ASMI. In addition, our bylaws do state that we must receive assessment funding in order to be able to promote the commodity.

Enlow asks what action we can take at this meeting?

Moller acknowledges work will need to be done legislatively. Also though there are opportunities on policy changes at the state level that he and the commissioner's office can work towards. Encourage ASMI's continued dialog with the Mariculture industry.

Representative Stutes offers her office and the fisheries committee to facilitate this board to any changes to the statute that the board would deem appropriate.

Palmer comments that as a seasonal processor, he's worked with kelp processor on Kodiak.

V. Executive Session

a) ASMI Committee Appointments

b) RFM Interim Board Selection

c) ASMI Staffing Update

Chair Schultheis calls for further comments. Hearing none, Chair Schultheis asks for a motion to enter into executive session to discuss remaining items.

Enlow makes a motion to enter into Executive Session. Erickson seconds the motion. The motion passes unanimously.

Executive Session begins at 1:02pm

VI. Return to Open Session

Schultheis asks for a motion to return to open session.

Enlow moves to return to open session. Moller seconds. All are in favor. The motion passes unanimously.

Open Session resumes at 4:19pm

Erickson motions to approve the following appointments of committee members and interim board members, as read by Executive Director Woodrow:

Woodrow announces the following appointments;

Domestic Marketing Committee: Reappoint Lilani Estacio and Ron Christenson

International Marketing Committee: Reappoint Julie Yeasting and Frank O'Hara. Remove Kevin Adams

Seafood Technical: Appoint Brandi Holmdahl and Joe Logan. Reappoint Chip Treinen, Chris LaCroix, Joe Frazier, and Julie Decker.

RFM Committee: Appoint Chris Burrows

Communications: Appoint Pat Shanahan and Hannah Heimbuch. Reappoint: Nicole Kimball, Jessica Hathaway, Peggy Parker, Cassandra Squibb

Halibut-Sablefish: Reappoint Mark Callahan

Whitefish: Appoint Mike Cusack. Reappoint Joel Peterson, Takashi Matsumoto

Salmon: Appoint Nicolas Dowie. Reappoint Ron Risher, Ron Christenson. Reappoint John Daly, Sandy Souter

Shellfish: Reappoint Rodger Painter and Jim Carroll

Enlow seconds the motion. All are in favor the motion passes unanimously.

Enlow moves to appoint the following individuals to the Certified Seafood Collaborative Interim Board.

Woodrow announces the following: Tomi Marsh, Julie Decker, Matt Tinning, Chris Burrows, Stephanie Quinn-Davidson, Mark Fina, Scott Goodman/Jamie Goen, Tom Sunderland, and one member

from the ASMI Board who is yet to be appointed.

Palmer Seconds the motion. All are in favor. The motion passes unanimously.

VII. Good of the Order

Chair Schultheis announces that public comment will now be heard.

Guest Yuri Flocka gives public comment. Reviews styles of commercial preparations of seafood, notes quantity of market that consists of canned salmon exports. Reviews the supply chain and asks ASMI Board to consider 14% of all program funds to go towards canned salmon promotions.

Chair Schultheis calls for any questions for Yuri.

Hearing no further public comment requests, Chair Schultheis asks for any further business for the good of the order.

Executive Director Jeremy Woodrow provides closing remarks.

VIII. Adjourn

Chair Schultheis asks for a motion to adjourn.

Palmer moves to adjourn the meeting. Enlow seconds the motion. All are in favor. The meeting adjourned at 4:33pm.