



Alaska Seafood Marketing Institute

**Board of Directors Meeting
Wednesday, October 6, 2021
10:00 a.m. Alaska Time
Virtual: Zoom**

Draft Minutes

I. Call to Order

- a. The Chairman called the meeting to order at 10:10am.

b. Roll Call

Present:

Chairman Jack Schultheis
Vice Chair Allen Kimball
Michael Erickson
Tomi Marsh
Mark Palmer
Richard Riggs
Lt. Governor Kevin Meyer
Commissioner Julie Anderson
Executive Director Jeremy Woodrow

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

Absent:

Senator Lyman Hoffman
Senator Peter Micciche
Senator Gary Stevens
Representative Geran Tarr
Representative Chris Tuck

c. Approval of Agenda

Chairman Schultheis requested motion to approve the agenda.

Erickson moved to approve the agenda for October 6, 2021. Vice Chairman Kimball seconded the motion. All were in favor. Motion passed unanimously.

- d. **Approval of minutes from April 29, 2021**
Chairman Schultheis requested a motion to approve minutes from April 29, 2021.

Palmer moved to approve the minutes from April 29, 2021. Erickson seconded the motion. All were in favor. Motion passed unanimously.

- e. **Chairman's Remarks**
Chairman declined remarks.

- f. **Reading of Anti-Trust Statement**
Executive Director Woodrow read the Anti-Trust Statement for the record.

- g. **Executive Director Update – Jeremy Woodrow**
There have been some changes to the Board. Lt Governor Kevin Meyer has joined. Tom Enlow has gone off the board, and Governor Dunleavy has appointed Richard Riggs. Gus Skaflestad has resigned. There is a harvester opening now so Governor's office is accepting applications. There are 6 voting members. There have also been some staff changes. Sara Truitt has moved; Heather Johnson-Smith is the new Executive Assistant & Board Liaison. Two other new staff members are Amy Spencer, who has joined the Domestic Team and Abi Spofford, who has joined the International Team. ASMI has had funding increases and has received CARES Act money from the governor. With the timing of its receipt, we need board approval on how to spend the \$7 million; Hannah Lindoff and Megan Rider will present today with plans on how to spend. Woodrow also shared that former and long-time ASMI Foodservice Director Claudia Hogue passed away. ASMI's success today is greatly in part to her commitment to Alaska seafood for the better part of her career. She will be missed.

- h. **Public Comment**
No public comment.

II. New Business

- a. **ASMI BOD Roundtable:** 5-minute update from each ASMI Board Director on market concerns, impacts or areas ASMI staff should give attention to in marketing initiatives.

Chair Jack Schulthies: It has been a disaster for the second year in a row for the Yukon salmon fisheries.

Vice Chair Allen Kimball: It has been an interesting summer. He gave a recap on the species. Freight movement has created huge challenges.

Overall, abundant harvest of salmon across most species. Russia has had a record year with salmon harvest which we compete with though as well as Chilean farmed salmon competition, but we've still seen global growth in species demand. Cod and crab have had different challenges. Japan and Asia continue to be important market for Alaska.

Bruce Schlacter commented on his pink salmon refresh project and its success in Spring. He is advocating for board action to help change the retailers' attitude towards pink salmon.

Mike Erickson: An interesting year in Southeast where there has not been an over-abundance. Dungeness crab demand has increased. They've been scratching by to make a season. Coho and pink and king has been soft deliveries. Market is okay for cod, but it'd be nice to see more demand. Halibut is strong; it is durable. Always need more. Cucumber market just started, and it's going well.

Tomi Marsh: She shared that she visited Jack, and it is dire up there but she appreciates his holistic approach. In Southeast, a good salmon season and cruise ships are here. Tourism is back up and should be better next year. Marine insurance is up and that is a huge impact.

Mark Palmer: Echoed what Mike shared about halibut and Dungeness and its market demand. Across state it's strong harvest season overall. The numbers of fish don't really tell the story. We sell by the pound but process by the piece. It exacerbates labor issues. There is demand but there are delays in supply chain. Markets are strong but costs are higher. Covid played a bigger role this year than planned. They required vaccination and virtually no instances of Covid, but still same quarantine protocols so costs to staffing. Believes foreign workforce will improve next year with vaccination being more available. Being forced to look for other markets. Reprocessing products in Eastern Europe and South America. Pointing away from China. That affects cash flow because industry has relied heavily on China who pays quickly. 2020 can be thrown away. 2021 compared to 2019, food service is starting to gain share back. Investing in domestic market is hedge. How do we sell more to the US consumer? Like rockfish. Woodrow asked about rockfish processing flow, and he said it would be a product done in Kodiak.

Richard Riggs: He is looking forward to serving on board again. Mark pointed out upline value but looking at costs like labor and transportation also. Great gross sales but increased costs. From salmon perspective we enjoyed some species by species increase. Underlying concern for industry are logistical challenges and freight increases. We need to be mindful of freight and sharing it with other like fruit/veg. Herring is still declining. Spoke to the different markets that are strong.

Going forward is concern of freight costs. Agrees with Palmer and that domestic needs to grow.

Commissioner Anderson: She spoke to grant programs, ARPA program.

Lt Governor Kevin Meyer: Expressed thanks to being on the board as Ex Officio. He wants to help; make it profitable and not difficult. He appreciated email from Tomi Marsh regarding promoting seafood to cruise lines. Lt. Governor from Louisiana was up here and he kept telling people that LA has best seafood in world. Lt Meyer would counter that AK is best. He wants to learn more specifics to back his statement. Great opportunity for this industry.

b. ASMI Consumer Marketing Strategy – presentation by Hannah Lindoff and Megan Rider. Additional FY 22 Funding Request.

Hannah Lindoff: We did receive a generous award from the Governor. Some of our needs have changed but our design has not. We want to overcome hurdles Covid has sent and add value as costs move up. Due to Covid we have not spent some of the funding from the Market Access Program rollover fund – it's money the international program receives every year but has not spent because of Covid. Board has approved this but we want to combine it with ARPA funds with this plan which is a more consumer-focused plan. Japan is an interesting market. We will have a massive reach if we can get into convenience stores with rice balls/bowls. EU market – October is national seafood month. Christmas and Lent are good seafood sales times of year. Proposal is Resolution Solution with healthy Alaska Seafood in January. Lindoff shared the multi-level, consumer-focused campaign which will be 2 years. Working with grocery chains in UK. Food truck tie in and health, nutrition, creative ideas like city bikes and fitness shows in France & Germany. In Southern Europe, chef & restaurant support with focus on “wild” and promote different seafood weeks.

Megan Rider: TikTok recipes are huge right now. #AlaskaSeafoodMadeEasy campaign comes to life across channels, January-March 2022. ARPA marketing funds to existing #Alaskaseafoodmadeeasy campaign to increase participation, reach and awareness: increase culinary partner, increase paid social, net new creative (encourage participation) and in-state and industry net new. Point of sale refresh. Megan and Monica went to Anchorage and visited seafood counters for Alaska Seafood 101, give ASMI swag, etc. It was very rewarding to raise visibility within the state.

Woodrow said he will share more details in Executive Session on the details of the budget ask.

c. **ASMI CAP Roundtable Topics**

Woodrow shared that feedback from last year's virtual All Hands was that the CAP roundtable was very positive and the attendees want more of it. Therefore, this year's virtual All Hands will be longer. Susan Marks will moderate it. Customer Advisory Panel is comprised of 9 members from US, Canada, EU; they are our customers. We don't have to come up with topics today, Susan will reach out to discuss with board one to one calls. Last year 3 themes – impacts of COVID, new product development, seafood moving forward.

d. **All Hands on Deck 2022 Confirmation**

With very positive thinking, we will gather in person next year and we have a deposit with Alyeska. Week of November 7 seems to be the best. Should we move forward? Palmer said to plan it; the sooner the better to confirm and get on calendars. Kimball agreed. Marsh asked if those dates work for CAP members. This year those dates were good; we could check again. Woodrow will secure those dates.

e. **ASMI Board Chair & Vice-Chair Elections**

Palmer thanked Schultheis for his 4 years of service and then nominated Allen Kimball as Chair saying he brings global perspective. Kimball would be honored to serve as Chair. He appreciated Jack's experience, and perspective.

Palmer moved that Allen Kimball be considered next Board Chair for ASMI. Riggs seconded the motion. All were in favor. The motion passed unanimously.

Jack said it has been an honor and knows Kimball will bring insight and leadership and thanks to taking chairman.

Kimball proposed Tomi Marsh as Vice-Chair. She is so active and has great vision.

Kimball moved Tomi Marsh be considered as Vice-Chair. Palmer seconded the motion. Marsh said she would be honored and shared that Jack's leadership and insight and care of coastal communities is inspiring. **All were in favor. The motion passed unanimously.**

Schultheis appreciates Tomi stepping up and he appreciates her visit to the Lower Yukon. She is engaged. Schultheis said he was thankful for serving.

III. Executive Session

- a. Matters pertaining to ASMI personnel and/or budget

b. ASMI Committees Application Review & Selection

Vice Chair Kimball moved to enter into Executive Session. Palmer seconded the motion. All were in favor. The motion passed unanimously.

IV. Return to Open Session

Palmer moved to return to open session. Erickson seconded the motion. All were in favor. The motion passed unanimously.

Palmer moved asking Executive Director Jeremy Woodrow to read who will be on the committees. Erickson seconded the motion. The board voted to approve the committee assignments. All were in favor. Motion passed unanimously.

Domestic Marketing Committee

Larry Christensen, reappoint

Thea Thomas, reappoint

Board Seats: Mike Erickson & Mark Palmer

International Marketing Committee

Shigeki Okano, reappoint

Merle Knapp, reappoint

Bob Barnett, reappoint

Board Seats: Tomi Marsh & Rich Riggs

Seafood Technical Committee

Appoint: Michael Kohan

Board Seat: Jack Schultheis

Communications Committee

Board Seat: Tomi Marsh

Halibut & Sablefish Committee

Appoint: Hank Baumgart

Whitefish Committee

Rasmus Soerensen, reappoint

Julie Yeasting, reappoint

Merle Knapp, reappoint

Julia Ying (Ex Officio), reappoint

Appoint Ex Officio: Lydia Moore

Shellfish Committee

James Riley, reappoint

Jim Stone, reappoint
Appoint: Jeff Otness

Salmon Committee
Appoint: Eric Jordan
Appoint: Jose Montero, Jr.
Appoint: Marta Heacock

Approval of FY22 Budget

Chair Schultheis requested a motion from the board to approve the proposed FY22 Budget.

Riggs moved to increase the ASMI FY22 budget to \$19,519,200. This amount includes immediate spending of American Rescue Plan Act (ARPA) funding to replace lost revenues and to increase marketing efforts in the current fiscal year. This total also includes federal rollover funding from the prior fiscal year. **Kimball seconded the motion. All were in favor. Motion passed unanimously.**

V. Good of the Order

Chair Schultheis asked for any further business for the Good of the Order.

VI. Adjourn

Chair Schultheis requested a motion to adjourn.

Erickson moved to adjourn the meeting. Marsh seconded the motion. All were in favor. Motion passed unanimously.

Meeting adjourned at 2:03pm